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Soft balancing in the Indo-Asia-Pacific: complexity, threat and contending multilateral frameworks from ASEAN to the SCO

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**Soft Balancing in the Indo-Asia-Pacific:
Complexity, Threat and Contending Multilateral Frameworks
from ASEAN to the SCO**

by

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Master of International Relations & Diplomacy (University of Matej Bel)

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ABSTRACT

This thesis investigates the use of regional organizations and soft balancing by great and middle powers in the Indo-Asia-Pacific vis-à-vis hegemonic or rising powers perceived as threatening, at the global and regional levels. The prime focus of this work is on collaboration within the Shanghai Cooperation Organization (SCO) since 2001. It is contended that although the SCO was not established to confront directly the U.S.-dominated international system, Russia and China have coordinated their activities within this multilateral framework to balance the continuous U.S. presence in Central Asia, and hinder the North Atlantic Treaty Organization's eastward expansion. Their actions underscore the importance of non-interference and state sovereignty as fundamental principles of the international system. The concept of soft balancing remains under-developed in this context. The thesis reviews the existing literature on soft balancing and comes to the conclusion that it deserves to be ranked among the main alignment strategies. Soft balancing is a safer, more subtle, and an indirect alternative to hard balancing, minimizing the possibility of counter-reaction from the state against which it has been mobilized.

To test the validity of soft-balancing behavior, the case of the SCO is compared to the soft-balancing cooperation within the Association of Southeast Asian Nations (ASEAN) when dealing with a re-emerging China of the early 1990s. China's regional policies with respect to disputed claims in the South China Sea alarmed the ASEAN member states and prompted fears about potential Chinese aggression. It is argued that soft balancing in the form of ASEAN-led government-to-

government (Track I) and non-official (Track II) multilateral structures has begun to 'socialize' China towards regionally responsible behavior and a commitment to shared norms. This thesis finds that soft balancing has thus been a strategy of critical significance for both ASEAN and SCO, deserving an enhanced level of recognition for its role in coordinating regional relations.

DECLARATION

This thesis is submitted to Bond University in fulfilment of the requirements of the degree of Doctor of Philosophy. This thesis represents my own original work towards this research degree and contains no material which has been previously submitted for a degree or diploma at this University or any other institution, except where due acknowledgement is made.

Alica Kizeková

Signed:

Date:

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ABBREVIATIONS

AMM	ASEAN Ministerial Meeting
APEC	Asia-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ARF-SOM	ARF Senior Officials Meeting
ASEAN	Association of Southeast Asian Nations
ASEAN-ISIS	ASEAN Institutes for Strategic and International Studies
ASEAN-PMC	ASEAN Post-Ministerial Conferences
ASEAN+1	ASEAN plus China
ASEAN+3	ASEAN plus China, Japan and South Korea
ASEAN-SOM	ASEAN Senior Officials Meeting
ASEAN4	The newer ASEAN members (Burma, Cambodia, Laos and Vietnam)
ASEAN5	The five original ASEAN members (Indonesia, Malaysia, Philippines, Singapore and Thailand)
ASEAN6	The six ASEAN members before 1995 (Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand)
BRIC	Brazil, Russia, India, China
BRICS	Brazil, Russia, India, China, South Africa
CIS	Commonwealth of Independent States
CNPC	China National Petroleum Corporation
CBM	Confidence-building Measures
CSBMs	Confidence-and Security-building Measures
CSCAP	Council for Security Cooperation in the Asia Pacific

CSTO	Collective Security Treaty Organization
DPRK	Democratic People's Republic of Korea
EAS	East Asia Summit
EU	European Union
EurAsEC	Eurasian Economic Community
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GUAM	Georgia, Ukraine, Armenia, Moldova
GUUAM	Georgia, Ukraine, Uzbekistan, Armenia, Moldova
MOU	Memorandum of Understanding
NATO	North Atlantic Treaty Organization
OSCE	Organization for Security and Co-operation in Europe
PfP	Partnership for Peace
PLA	People's Liberation Army (of China)
PRC	People's Republic of China
ROK	Republic of Korea
SAARC	South Asian Association for Regional Cooperation
SCO	Shanghai Cooperation Organization
TAC	Treaty of Amity and Cooperation (1976)
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNSC	United Nations Security Council
U.S.	United States
ZOPFAN	Zone of Peace, Freedom, and Neutrality

*Be extremely subtle, even to the point of formlessness. Be extremely mysterious,
even to the point of soundlessness. Thereby you can be the director of the
opponent's fate.¹*

Sun Tzu, The Art of War

¹ Chapter 6: “Emptiness and Fullness” in *The Art of War: complete texts and commentaries*, translated by Thomas Cleary, Boston, MA: Shambala Publications, Inc., 2003, p.108.

CHAPTER ONE: Soft Balancing in the Indo-Asia-Pacific

This thesis argues that the great and middle powers of the Indo-Asia-Pacific region conduct soft balancing as they build, expand and adjust the scope of regional organizations and cooperative security arrangements.² ‘Soft balancing’ refers to a subtle and indirect form of balancing, where second-ranking powers rationally employ non-military tools (such as international and regional institutions, economic statecraft, and the strict interpretation of neutrality) to constrain the power of a hegemonic state, rising power, or emerging inter-state tensions.³ Any state with a preponderance of power, even if a friendly ally, still represents a potential constraint – and therefore a possible threat – to the interests of great and middle powers within their own region. The quest for a new equilibrium serves the ‘weaker’ rather than the ‘stronger’ in this asymmetric relationship: the latter would hardly wish to compromise its primacy, but the former would have improved the prospects of its freedom for strategic and diplomatic manoeuvre without needing to ‘bandwagon’ with or ‘hedge’ against the more powerful party.

The role of soft balancing in countering the primacy of the United States of America (hereafter, the United States or the U.S.) and the rising power of the People’s Republic of China (PRC or China) is a significant phenomenon in international relations at both systemic (global) and subsystemic (regional) levels. This thesis examines the increasing interest in regional organizations by second-

² Key terms and concepts – including ‘Indo-Asia-Pacific’, ‘great powers’, ‘middle powers’, ‘regional organizations’ and ‘soft balancing’ – are defined more fully below.

³ For a systematic approach to “rising power” dynamics, see Andrew Hart and Bruce Jones, “How Do Rising Powers Rise”, *Survival*, vol.52, no.6, December 2010, pp.45-62.

ranking powers or major powers as they could be termed in this context, and in the managing of security issues in the Indo-Asia-Pacific region since the end of the Cold War. The major powers, including China and Russia, have attempted to use the strategy of soft-balancing through their multilateral institutions to limit the ability of the United States to impose its preferences upon them. The main driver for these discussions has predominantly been the rejection of the aggressive elements of the Bush Doctrine: the proactive use of force, unilateral military interventions in sovereign states, and the insistence on building a national missile defense system. These elements have diminished the reputation of the U.S. as a benign hegemon and given other major powers reasons to fear its policies. The power preponderance of the United States has become increasingly undesirable because of its engagement in behavior that does not bring about predictable patterns of change. Additionally, second-ranking states, such as Russia, China, France and Germany, have raised concerns that the U.S. is rewriting long-established rules of conduct without considering the interests of other state actors in the international system.

States displeased with these changes in the U.S. national security strategy have consequently chosen to resist specific U.S. policies regarding its military enhancement and have engaged in a vocal attack against unilateralism by calling for a “predictable and stable” multipolar world,⁴ in which global power is distributed into three or more great-power centres, with other states allied with one of the rivals.⁵

⁴ Vladimir Putin interview by France 3 Television, Embassy of the Russian Federation in Australia, 9 February 2003, [<http://www.australia.mid.ru/press2003/05.html>].

⁵ Charles W. Kegley and Eugene R. Wittkopf, *World Politics: Trends and Transformation*, 10th ed., Belmont, CA: Thomson Wadsworth, 2006, p. 107. See further Jenny Clegg, *China's Global Strategy: Towards a Multipolar World*, London: Pluto, 2009; Susan Turner, “Russia, China and the Multipolar World Order: The

China manifested its discontent through military display when it shot down its own Feng Yun IC weather satellite, in its “satellite killer” (anti-satellite ASAT) test on 11 January 2007.⁶ While this action could have been viewed as irresponsible,⁷ in terms of regional norms and socialized behavior, shortly after the event the then Russian President Vladimir Putin attacked not China, but instead the United States, by stating: “unilateral and frequently illegitimate actions have not resolved any problems”. He spoke of “an almost uncontained hyper use of force” and stressed that “the only mechanism that can make decisions about using military force as a last resort is the Charter of the United Nations”.⁸

The most persuasive argument against U.S. unilateralism has come from structural realists such as Kenneth N. Waltz and Christopher Layne, who argue that counterbalancing by other major powers was likely to happen if U.S. power became too threatening.⁹ This argument is derived from ‘balance of power’ theory, which posits that because states have an interest in maximizing their long-term

Danger in the Undefined”, *Asian Perspective*, vol. 33, no. 1, 2009, pp.159-184, [<http://www.asianperspective.org/articles/v33n1-f.pdf>]. From 2000, for diplomatic reasons, PRC began to favor a stronger emphasis on ‘multilateralism’ as a less threatening term than ‘multipolarity’, see Leif-Eric Easley “Multilateralism, Not Multipolarity Should be Goal”, *The China Post*, 29 March 2008, [<http://www.chinapost.com.tw/commentary/the-china-post/leif-eric-easley/2008/03/29/149402/Multilateralism-not.htm>]. For interaction of regional, multilateral and global policies, see Sohn Injoo “After Renaissance: China’s Multilateral Offensive in the Developing World”, *European Journal of International Relations*, vol. 18, no. 1, May 2011, pp.77-101.

⁶ The Chinese political elite included the U.S. presence and consolidation of military alliances in the Asia-Pacific among factors of uncertainty in their 2008 Defense White Paper. They argued that states needed to enhance processes for coordinated approaches to dealing with such uncertainties. “The Security Situation”, China’s National Defense in 2008, Information Office of the State Council of the People’s Republic of China, Beijing, January 2009, [http://english.gov.cn/official/2009-01/20/content_1210227_3.htm]; For the Chinese test as part of an emerging ‘asymmetric power’ strategy, see Anne E. Robertson, *Militarization of Space*, New York: Facts on File, 2011, p.94.

⁷ Joan Johnson-Freese, “America’s China Worries – Part I”, *YaleGlobal*, 6 February 2007, [<http://yaleglobal.yale.edu/display.article?id=8714>].

⁸ Vladimir Putin, Speech at the 43rd Munich Conference on Security Policy, Munich, 10 February 2007, [http://archive.kremlin.ru/eng/speeches/2007/02/10/0138_type82912type82914type82917type84779_118123.shtml].

⁹ Kenneth N. Waltz, “Structural Realism After the Cold War”, *International Security*, vol.25, Summer 2000, pp.5-41; Christopher Layne, “The Unipolar Illusion: Why New Great Powers Will Rise”, *International Security*, vol. 17, no. 4, Spring 1993, pp. 5–51.

odds of survival, they will coordinate to check dangerous concentrations of power.¹⁰

For the structural realists, it is only a matter of time before these changes emerge since hegemony¹¹ can never be permanent. Between 2001 and 2009, the U.S. not only overstretched its power (due to long-term as well as new global and regional commitments) and overspent on its military enhancements, it also suffered opposition from its own citizenry who demanded a greater focus on domestic issues, rather than prolonged engagement in the wars in Iraq and Afghanistan.¹²

On the one hand, unipolarity is hailed as a force for stability because “second-class powers cannot directly balance against the U.S. superiority, either individually or collectively”;¹³ U.S. military power is so overwhelming and its role as a benevolent superpower is so certain that other states have no reason to challenge it.¹⁴ On the

¹⁰ Kenneth N. Waltz, *Theory of International Politics*, Reading, MA: Addison-Wesley, 1979.

¹¹ ‘Hegemony’ is the preponderant military and economic power of a single state in the international system. If a state gains a complete hegemony, then the system becomes hierarchic and no longer anarchic. The hegemon dictates the outcomes and no other state has enough concentrated power resources to challenge its hegemonic power. John J. Mearsheimer, *The Tragedy of Great Power Politics*, New York: W.W. Norton, 2001, p. 34 and p. 40. The hegemonic projection of power goes beyond the military and economic sphere. There are also ideological and cultural elements involved.

The U.S. gained a complete hegemony after World War II; however, currently it faces limitations to its hegemonic power, especially in its soft power, which will be discussed in chapter three in reference to China’s soft balancing efforts in areas of oil equity and politics of aid around the world and in chapter five when assessing soft balancing efforts of the SCO towards the U.S.

¹² The Bush Presidency has been viewed negatively by the public, both in the U.S. and worldwide. A December 2008 Pew Research Centre Survey revealed that only 11% of the American public would remember President Bush as an outstanding or above average President; the lowest positive score amongst the last four presidents. The American public was aware of extensive anti-American sentiment in the world, which it attributed to some foreign policy choices of the Bush Administration. See full report at [<http://people-press.org/reports/pdf/478.pdf>]; Lack of confidence in American leadership due to its foreign policy was shared among a majority of those 47 nations which participated in a 2007 Pew Global Attitudes Project. Distrust was expressed even in countries that would usually be considered as strong American allies. The Czech Republic, for example, showed 71% support in 2002; this dropped to 45% in 2007. Indonesia favored the U.S. with 61% in 2002; this number declined to 29% in 2007. Turkey’s support landed at 9% in the same year. The complete report is available at [<http://pewglobal.org/reports/display.php?ReportID=256>]. The U.S. role in world affairs was viewed negatively in a January 2007 survey of more than 26 000 people from 25 countries conducted for the BBC World Service by GlobeScan and the Program on International Policy Attitudes, [<http://www.pbs.org/weta/crossroads/incl/bbcpoll.pdf>]. The poll explored six foreign policy areas and established that three in four (73%) of correspondents disagreed with U.S. handling of the Iraq war.

¹³ William C. Wohlforth, “The Stability of a Unipolar World,” *International Security*, vol.24, no.1, Summer 1999, pp.7-8.

¹⁴ Stephen C. Brooks and William C. Wohlforth, “American Primacy in Perspective”, *Foreign Affairs*, vol. 81, no.4, July/August 2002, pp.20-33.

other hand, “the twilight of the unipolar world”¹⁵ has been proclaimed and in its place would emerge system similar to “the 19th century multipolar system.”¹⁶ Both positions simplify emerging trends in the international arena, driven in part by ideological commitments to either the *status quo* or a desire for moderated change that might allow a more peaceful transition to a multipolar order.

Beyond Unipolarity

In the two decades after the end of the Cold War, the international system remained if not strictly unipolar, then at least uni-multipolar,¹⁷ with one superpower and several strong great powers. There has been no clear evidence that these great powers have committed themselves to hard balancing against the United States in the form of alliances, transfers of technology to opponents of the U.S., or military build-ups. Christopher Layne attributes the absence of traditional hard balancing to three elements: pressures on second-tier powers to both bandwagon with the U.S. and to balance against it; inability of the major powers to challenge the U.S.

¹⁵ Coral Bell, “The Twilight of the Unipolar World”, *The American Interest*, vol. I, no. 2, Winter 2005, pp.18-29.

¹⁶ This was stated by Dr Bell during an interview with the author, Australian National University, Canberra, 6 December 2006. In her view, unipolarity lasted from the beginning of 1992 until 2001, which surprised Dr Bell as she had believed it to have lasted for 30 years. Dr Bell acknowledged that there would be “sort of a transitional period” but did not have a specific term for it. See: Coral Bell, *World Out Of Balance: American Ascendancy and International Politics in the 21st Century*, Double Bay, NSW: Longueville Books, 2004; Coral Bell, *The End of the Vasco de Gama Era*, Lowy Institute, 15 November 2007, [<http://www.lowyinstitute.org/publications/end-vasco-da-gama-era>].

¹⁷ Barry Buzan suggests that in the first decade after the Cold War, the global power structure shifted to 1+4, with only the U.S. remaining as a superpower, and China, the EU, Japan and Russia as great powers. Such a complicated system certainly cannot be adequately captured within the simple designation as either unipolar or multipolar. Buzan refers to Huntington’s concept of uni-multipolarity - “a strange hybrid . . . with one superpower and several major powers”. Barry Buzan, *The United States and the Great Powers: World Politics in the Twenty-First Century*, Malden, MA: Polity Press, 2004, p.74. Samuel P. Huntington, “The Lonely Superpower”, *Foreign Affairs*, vol. 78, no. 2, March/April 1999, p. 36. Also Samuel P. Huntington, “The Great American Myth”, Speech at the Grano Series – The American Empire, Atlantic Institute for Market Studies, Halifax, Nova Scotia, 10 February 2005, [<http://www.aims.ca/site/media/aims/huntington.pdf>].

One must acknowledge that the current world order is neither purely unipolar nor multipolar (Huntington’s idea of uni-multipolarity “goes in the right direction, but fails to specify criteria for classification and locks itself into a single, static formulation” [Buzan, 2004, p.74]). Richard N. Haass proposed a term ‘Nonpolarity’ in his *The Age of Nonpolarity: What Will Follow U.S. Dominance*, *Foreign Affairs* 3, May/June 2008, vol. 87, pp. 44-56. How change and transition across systems occurs needs further serious analysis.

leadership due to various internal problems; and underestimation of the power of the existing hegemon.¹⁸

None of the major states appears entirely satisfied with the status quo. Indeed, Russia, China and India have represented part of their foreign policy posture in terms of desiring a multipolar system. Yet in the medium term they have often acknowledged the reality of U.S. strategic power, especially bearing in mind efforts by these 'rising powers' to reposition themselves as global players.¹⁹ In turn, critics within the Bush Administration had acknowledged Washington's failure to achieve dominance in all categories of power.²⁰

With the election of President Barack Obama in 2008, the U.S. started to be viewed more favorably internationally.²¹ In order to achieve its goals, the U.S. administration was advised to employ the use of 'smart power', which is a combination of hard and soft power. Joseph S. Nye in his book, *The Future of Power*, suggested that a smart strategy was not aimed to "maximize power or

¹⁸ Christopher Layne, "The Unipolar Illusion Revisited: The Coming End of the United States' Unipolar Moment", *International Security*, vol.31, no.2, Autumn 2006, p.10; The widening BRICS (Brazil, Russia, India, China, South Africa) Summit process has not yet demonstrated either hard balancing or formal alliance structures, but has shown some soft balancing behaviors (see further below). For a recent critique, see Ruchir Sharma "Broken BRICS: Why the Rest Stopped Rising", *Foreign Affairs*, vol. 91, no. 6, November/December 2012, pp.2-7.

¹⁹ C Raja Mohan, "Managing Multipolarity: India's Security Strategy in a Changing World", in *India's security challenges at home and abroad*, C Raja Mohan and Ajai Sahni, , NBR Special Report No.39, The National Bureau of Asian Research, Washington, May 2012, [http://www.nbr.org/publications/specialreport/pdf/SR39_India_Security_Challenges.pdf]; G. John Ikenberry "The Future of the Liberal World Order", *Foreign Affairs*, vol. 90, no. 3, May/June 2011, pp.56-68.

²⁰ The term "power" is "easier to experience than to define or measure", Joseph S. Nye, *Soft Power: The Means to Success in World Politics*, New York: Public Affairs, 2004, p. 1. Nye suggests that "power is the ability to influence the behavior of others to get the outcomes one wants. But there are several ways to affect the behavior of others. You can coerce them with threats; you can induce them with payments; or you can attract and co-opt them to want what you want". For Nye "soft power" – getting others to want the outcomes that you want – co-opts people rather than coerces them. See Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power*, New York: Basic Books, 1990, Chapter 2. Nye built his idea on Peter Bachrach and Morton Baratz's "second face of power" in their "Decisions and Nondecisions: An Analytical Framework", *American Political Science Review*, September 1963, pp. 632-42.

²¹ In 2010 The Russians viewed the U.S. more favorably than in 2009, there was an increase from 44% to 57%, and President Obama was viewed more favorably abroad than at home. See: "Obama More Popular Abroad Than At Home, Global Image of U.S. Continues to Benefit", Pew Global Attitudes Project, Pew Research Center, 17 June 2010, [<http://www.pewglobal.org/2010/06/17/chapter-1-views-of-the-u-s-and-american-foreign-policy-3/>].

preserve hegemony” but “to find ways to combine resources into successful strategies in the new context of power diffusion and the ‘rise of the rest’.”²² In contrast with the Bush Administration, the Obama leadership has been trying to recover declining American leadership in the world while taking the newly rising powers into consideration. However, the Obama administration, largely staffed by veterans of the Clinton Administration,²³ has been just as equally wedded to preserving U.S. hegemony through its key foreign policy positions.²⁴ President Obama argued in his State of the Union Address that the United States needed to “out-innovate, out-educate, and out-build the rest of the world” and used the example of China building the world’s largest private solar research facility and the fastest computer.²⁵ In his re-election speech on 7 November 2012, President Obama revisited these sentiments on education and global leadership.²⁶ He spoke about the attraction of U.S. culture and the power of the U.S. military. The latter, in particular, has remained an area of contention. The Pew Research Center’s Global Attitudes Project highlighted in 2012 the issue of continued use of drone strikes, which was viewed negatively by many nations. The U.S. has been widely perceived, especially by Islamic communities, as retaining unilateral foreign policy that excludes consideration of the interests of other nations.²⁷ President Obama’s ambitious speeches that offered new partnerships with the Muslim World and progressive policies towards the Middle East

²² Joseph S. Nye, *The Future Of Power*, New York, NY: Public Affairs, February 2011, pp.207-208.

²³ President Clinton referred to the U.S. as ‘the world’s indispensable nation’ in his second inaugural address on 20 January 1997. See: *Inaugural addresses of the presidents of the United States: from George Washington to George W. Bush*, United States Congress, Joint Congressional Committee on Inaugural Ceremonies, Washington, DC, 2001, [<http://www.bartleby.com/124/pres65.html>].

²⁴ Christopher Layne, the Waning of U.S. Hegemony – Myth or Reality? A Review Essay, *International Security* 34, no. 1, Summer 2009, pp.147-172; Daniel Dombey, “Clinton aims for pragmatic diplomacy”, *Financial Times*, 14 January 2009, [<http://www.ft.com/cms/s/0/b1a00534-e1db-11dd-afa0-0000779fd2ac.html#axzz2C21ra1KE>].

²⁵ Barack Obama, *State of the Union 2011: Winning the Future*, United States Capitol, Washington, D.C., 25 January 2011, [<http://www.whitehouse.gov/the-press-office/2011/01/25/remarks-president-state-union-address>]

²⁶ Barack Obama, *Remarks by the President on Election Night*, McCormick Place, Chicago, Illinois, The White House, Office of the Press Secretary, 7 November 2012, [<http://www.whitehouse.gov/the-press-office/2012/11/07/remarks-president-election-night>].

²⁷ “Drone Strikes Widely Opposed Global Opinion of Obama Slips, International Policies Faulted”, Pew Global Attitudes Project, Pew Research Center, 13 June 2012, [<http://www.pewglobal.org/2012/06/13/global-opinion-of-obama-slips-international-policies-faulted/>].

have not yet changed these global orientations.²⁸ Consequently, a declining acceptance of U.S. primacy among the major players coupled with a desire to influence regional affairs provides an opportunity for great and middle power soft balancing in the Indo-Asia-Pacific. This thesis, then, examines the ‘soft balancing strategy’ of middle and great powers in regional settings. It does so by conducting a study of the Association of Southeast Asian Nations (ASEAN) dealing with a re-emerging China during the early 1990s and with Russia’s and China’s coordinated activities within the Shanghai Cooperation Organization (SCO) after 2001 to balance the continuous U.S. presence in Central Asia.

Terminology

Soft balancing is defined here as subtle, indirect and informal balancing. It is driven by medium and great powers regarding a hegemonic or rising power as posing a threat or potential threat to their interests and can manifest in a number of ways. These include the medium and great powers using their territory to create logistical problems for the preponderant or rising power; using regional trade or use of local currencies to weaken its relative economic power of the hegemonic or perceived as threatening state; and promoting norms and rules of conduct that are intended to diminish its influence.²⁹ Soft balancing often involves collaboration in regional or international institutions and its success lies in the states’ use of soft power resources – institutions, policies, values or culture – to attract other governments into the organization of a soft balancing coalition.

²⁸ See for example President Obama “Remarks by the President on a New Beginning”, Cairo University, The White House Press Office, 4 June 2009, [http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-at-Cairo-University-6-04-09]; Fouad Ajami “The Arab Spring at One”, *Foreign Affairs*, vol.91, issue 2, Mar/Apr2012, pp.56-65; Daniel Byman “Regime Change in the Middle East: Problems and Prospects”, *Political Science Quarterly*, vol. 127, issue 1, Spring 2012, pp.25-46.

²⁹ T. V. Paul, “The Enduring Axioms of Balance of Power Theory,” in *Balance of Power Revisited: Theory and Practice in the Twenty-first Century*, ed. T.V.Paul, James J. Wirtz, and Michel Fortmann, Stanford, CA: Stanford University Press, 2004, pp. 46-71; Robert A. Pape, “Soft Balancing against the United States”, *International Security*, vol. 30, issue 1, 2005, pp. 7-45.

This thesis operationally re-defines *middle powers*³⁰ as states or international actors aiming for growing regional influence (though in some cases they already exert strong regional presence) and argues that these middle and great powers tend to use soft balancing.³¹ *Great powers* possess a substantial degree of political, military and economic power³² which can only be defeated by another great power.³³ Great powers in the Indo-Asia-Pacific are China, Russia – as members of the United Nations Security Council (UNSC) – and Japan, an economic and political great power. The U.S. can be viewed as a declining superpower, in spite of the ‘Asian Pivot’ policy of 2012. To test its soft balancing hypothesis, this thesis examines ASEAN’s relations with China in the 1990s and the SCO’s responses to the U.S. presence in Central Asia post-2001. ASEAN and the SCO, taken collectively, are considered to be ‘diplomatic middle powers.’ This is driven by partial policy convergence (via intergovernmental dialogue) and to a lesser extent by shared treaties and deepening economic interaction. Thus a regional organization can function like a middle power when it behaves as a unified actor in the international arena on specific issues. The SCO and ASEAN, though not as supranationally integrated as the European Union, have sought to deepen their control over their immediate membership areas, as well as gain greater influence in their wider, proximate regions (Eurasia and the Asia-Pacific respectively). This level of ‘power

³⁰ While there is no single definition of middle power, this thesis identifies two approaches in establishing which countries are considered middle powers. From the perspective of ‘statistical definition’, the method used by Jonathan Ping, *Middle Power Statecraft*, Aldershot, Hants, England: Ashgate, 2005, pp.103-104, five out of six members of ASEAN6 are middle powers (Indonesia, Malaysia, the Philippines, Singapore and Thailand), while Brunei is a small power. Based on his findings, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are small powers. This thesis argues that according to the second perspective of a ‘geographical definition’, Kazakhstan and Uzbekistan exert levels of influence in Central Asia that rank them as middle powers. India and Iran, the SCO observer states, are also considered as middle powers.

³¹ Further discussion on the concept of middle power activism can be found in John Ravenhill, “Cycles of middle power activism: Constraint and choice in Australian and Canadian foreign policies”, *Australian Journal of International Affairs*, vol.52, issue 3, November 1998, pp.309-327.

³² Kenneth Waltz, *Theory of International Politics*, Reading, MA: Addison-Wesley, 1979, p.131.

³³ Based on Jack S. Levy’s criterion of powers, *War in the Modern Great Power System, 1945-1975*, Kentucky, 1983, cited in *International Relations: 2006-2007* edition, ed. Joshua S. Goldstein and Jon C. Pevehouse, New York: Longman, 2007, p.78.

projection', however, can only be sustained when inter-governmental cooperation remains high. This re-formulation is necessary when studying middle power activism regionally, as well as wider middle power groupings in the international system.³⁴

There is no generally agreed narrow definition of *regional organizations* in international relations literature. The UN Charter provides no clear definition of regional arrangements, instead focuses on how they contribute to the peaceful resolution of conflicts, rather than what they are empirically.³⁵ The definition of 'regional organizations' and 'multilateral frameworks' used here is based on numerous quantitative and qualitative definitions which suggest that these concepts refer to "cooperation among governments or non-governmental organizations in three or more geographically proximate and interdependent countries for the pursuit of mutual gain in one or more issue-areas"³⁶ led by "specific generalized principles of conduct".³⁷

*Network*³⁸ based regionalism is regarded as a central aspect of soft balancing in this thesis, because the member states of ASEAN and the SCO use these international

³⁴ For some of the benefits and dangers of running diplomacy through middle power conceptualizations, see Mark Beeson "Can Australia Save the World? The Limits and Possibilities of Middle Power Diplomacy", *Australian Journal of International Affairs*, vol. 65, issue 5, November 2011, pp.563-577; Matthew Sussex "The Impotence of Being Earnest? Avoiding the Pitfalls of 'Creative Middle Power Diplomacy'", *Australian Journal of International Affairs*, vol. 65, issue 5, November 2011, pp.545-562.

³⁵ The UN Charter, Chapter III: Regional Arrangements, Articles 52-54, [<http://www.un.org/en/documents/charter/chapter8.shtml>].

³⁶ Muthiah Alagappa, "Regional institutions, the UN and international security: a framework for analysis", *Third World Quarterly*, vol.18, no. 3, 1997, p.423.

³⁷ John Gerard Ruggie, "Multilateralism: The Anatomy of an Institution", *International Organization* 46, no.3, Summer 1992, p.567; Robert Keohane, "Multilateralism: An Agenda for Research", *International Journal* XLV, Autumn 1990, p.731; Samuel S. Kim, "Regionalization and Regionalism in East Asia", *Journal of East Asian Studies* 4, 2004, pp.39-67. Also see: John Duffield, "What Are International Institutions? *International Studies Review* 9, 2007, pp.1-22.

³⁸ *Network* is understood as a "form of multilateral governance structure in which linked agents act and interact loosely within its realm and openly outside its realm", Katsuhiko Mori, "Institutionalizing, Marketizing and Networking Asia-Pacific Economic Cooperation", International University of Japan Research Institute Working Paper, Asia Pacific Series no. 10, April 1999, [http://www.iuj.ac.jp/research/workingpapers/PIRS_1999_04.pdf]; Shun Cao, "Networks of Intergovernmental Organizations and Convergence in Domestic Economic Policies", *International Studies Quarterly*, vol.53, 2009, pp.1095-1130.

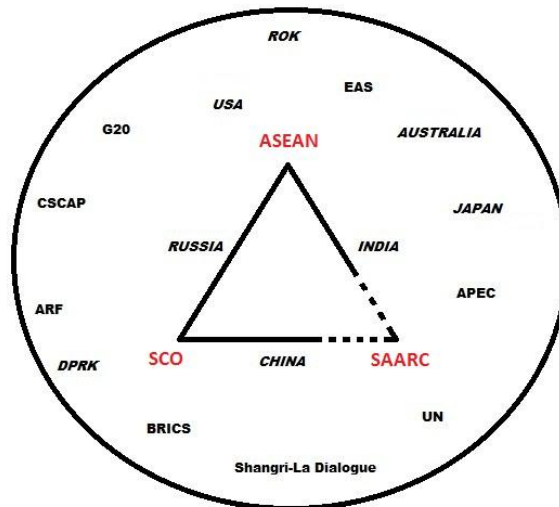
policy networks to socialize and converge in shared norms. This networking process facilitates open discussions and coordination of responses vis-à-vis external threats. This approach has been pioneered by ASEAN which always had to consider stronger external players in the region. The consultative nature of this framework and experience in working in a “world of fluid, shifting coalitions”³⁹ has provided a more flexible approach to responding to common threats. ASEAN and the SCO have been proactive in voicing their norms; both frameworks support non-interference in domestic affairs, and provide region-specific suggestions for resolving issues.

ASEAN’s and the SCO’s soft balancing occurs in the context of evolving multilateral (Appendix One)⁴⁰ and bilateral engagements in the Indo-Asia-Pacific. The diagram (Figure 1, p.29) does not represent the totality of interactions, rather it schematically portrays the complexity of overlapping relationships between states and among regional groupings within international diplomatic environment.

³⁹ The characteristics of networked regionalism in Asia and a comparison with ‘institutional regionalism’ in Europe, where supranational institutions shape policies of member states, are described in Yeo Lay Hwee, “Institutional regionalism versus networked regionalism: Europe and Asia compared”, *International Politics*, vol. 47, 2010, pp. 324-337.

⁴⁰ Appendix One demonstrates an example of overlapping engagements between Track I and Track II (CSCAP) frameworks from the CSCAP perspective. Both ASEAN and the SCO are part of this illustration and should be understood in the context of these overlapping relationships.

Figure 1: Indo-Asian Core of Network Dialogue



The primary focus area is the relationship among SCO, ASEAN, and the South Asian Association for Regional Cooperation (SAARC). This emerging Indo-Asian “Core” of Network Dialogue is viewed as an area of protection from (and moderation of) external influences. This core is driven by ASEAN, with an increased involvement from the SCO and a partial engagement from SAARC, which has not been fully engaged (See Figure 1, dotted line). Although notable states such as the U.S. or Japan are important, they have yet to demonstrate a level of *comprehensive* engagement in these subregional frameworks in the Indo-Asia-Pacific, in spite of their involvement with groupings such as the ASEAN Regional Forum (ARF) and the East Asian Summit (EAS) process.

In contrast, the U.S. has shown the best capacity to connect with other players in the international system, which can be viewed as a “networked world” on specific issues.⁴¹ This has been exemplified by counterterrorism policies creating a “dense

⁴¹ Anne-Marie Slaughter, “America’s edge: power in the networked century”, *Foreign Affairs* 88, no. 1, January-February 2009, pp. 94-113, [<http://www.princeton.edu/~slaughtr/Articles/AmericasEdgeFA.txt>].

global network of law enforcement officers, counterterrorism officials, and intelligence agencies”.⁴² In Southeast Asia, U.S. centrality has been challenged by ASEAN-led network regionalism, which has provided an attractive alternative for weaker or rising states. Track I diplomacy (government-to-government) has been supported by Track II frameworks (non-official) that are complementary and provide valuable policy proposals.⁴³ ASEAN member states reacted to market forces from Europe and Northern America by promoting an East Asian community based on network collaboration with China, the Republic of Korea (ROK) and Japan within the ASEAN+3 format. Furthermore, ASEAN ‘soft balances’ great powers, prime examples being China and Japan, by playing them off against one another through negotiating different free trade agreements (FTA) for each. The ASEAN-China FTA encouraged Japan to engage in discussions on a similar agreement, a “Comprehensive Economic Partnership”, when previously Japan had been overly hesitant to conclude an ASEAN-Japan FTA.⁴⁴ It remains to be seen whether a wider ASEAN-centred free trade agreement can be negotiated in the future (the Regional Comprehensive Economic Partnership).⁴⁵

It should be noted that the visual illustration (Figure 1) employed here does not constitute a new regional architecture; rather, it has an explanatory value for this thesis. Two segments within this diagram will be discussed in a great detail in chapters four and five: the ASEAN-China relationship and Russia-China-SCO interactions vis-à-vis the U.S.

⁴² Anne-Marie Slaughter, “America’s edge: power in the networked century”, *Foreign Affairs* 88, no. 1, January-February 2009, pp. 94-113, [<http://www.princeton.edu/~slaughtr/Articles/AmericasEdgeFA.txt>].

⁴³ Herman Joseph S. Kraft, “Unofficial Diplomacy in Southeast Asia: The Role of ASEAN-ISIS”, Canadian Consortium on Asia Pacific Security, Paper no. 22, March 2000.

⁴⁴ Yeo Lay Hwee, “Realism and Reactive Regionalism: Where is East Asian Regionalism Heading?” Research Unit on International Security and Cooperation, Discussion Paper, Madrid, May 2005.

⁴⁵ The Regional Comprehensive Economic Partnership (RCEP) negotiations were launched by Leaders from ASEAN and ASEAN’s FTA partners at the East Asia Summit in Phnom Penh, Cambodia, on 20 November 2012, [<http://www.dfat.gov.au/fta/rcep/>].

Thesis Contribution and Argument

By examining in greater depth the subtle, indirect and non-military security behavior of great and middle powers in the Indo-Asia-Pacific⁴⁶ region, this thesis aims to contribute to a better understanding of contemporary balancing behavior, which is broadened to explain numerous strategies that states use to limit the power of a hegemonic actor or a state perceived as threatening, at global, regional, and organizational levels. In this new context, power is increasingly channelled by non-hegemonic states through regional organizations. Particular focus is directed at collaboration within the SCO.⁴⁷ To test the validity of the interpretations of soft-balancing behavior, the case of the SCO is compared to the soft-balancing cooperation observed in the Southeast Asian member nations of ASEAN⁴⁸ when dealing with a re-emerging China in the post-Cold War period.

By drawing on structural realist and constructivist theories, the current work derives hypotheses about the extent to which the engagement of regional powers, China and Russia in particular, is based on multilateral regional frameworks even when dealing with American predominance in the region. The key hypothesis argues that both great and middle powers in the Indo-Asia-Pacific region build, expand and adjust the scope of regional organizations and cooperative security arrangements in response to new challenges, and use soft balancing at both

⁴⁶ This term was used by the then Australian Foreign Minister Alexander Downer in his speech “Australia, Asia and Global Drivers for Change” during the Future Summit, Brisbane, 12 May 2006.

The concept of ‘Indo-Asia-Pacific’ employed in this thesis encompasses Northeast Asia (China, Japan, the Korean Peninsula and Mongolia), Southeast Asia (the ten ASEAN members), Southern Asia (Afghanistan, India, Iran, Pakistan and Sri Lanka) and the Southwest Pacific (Australia in particular). The thesis incorporates references to Russian, U.S., Kazakh and Uzbek policies where appropriate.

⁴⁷ The Shanghai Cooperation Organization (SCO) is an intergovernmental regional organization established in Shanghai in 2001 by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. References will be made to observer states: Afghanistan, India, Iran, Mongolia and Pakistan and dialogue partners: Belarus, Sri Lanka and Turkey.

⁴⁸ The Association of Southeast Asian Nations (ASEAN) is an intergovernmental regional organization founded in Bangkok by Indonesia, Malaysia, the Philippines, Singapore and Thailand in 1967. The organization enlarged incrementally by admitting Brunei, Burma, Cambodia, Laos and Vietnam to its membership. The majority of the assessment covers ASEAN6 – the founding members and Brunei.

government-to-government (Track I) and non-official (Track II) levels. This approach links state security directly to region-building and views the two, in so far as a core of convergent interests is sustained by the key actors, as mutually constructive and not mutually competitive. These trends are noted to have become more common since the early 1990s for ASEAN, and to have emerged as crucial strategies – especially since 2001 – for the SCO.

The selected multilateral regional frameworks have begun to ‘socialize’ states towards regionally acceptable behavior and a commitment to shared norms. The case of China’s change of policy from bilateral to multilateral involvement and engagement of the “ASEAN Way”,⁴⁹ as a distinctive set of norms upon which decision-making and consensus building are based, is striking. It demonstrates an altered approach in Beijing’s interactions in forums where it is active.⁵⁰ Both Russia and China have enhanced their image within the region by adopting policies of cooperative engagement through their participation in the ASEAN Regional Forum (ARF) and the SCO.⁵¹ Regional cooperative arrangements can successfully coexist in an environment characterized by the presence of several alliances, though this has sometimes been a sensitive issue within the ARF. In China’s case, it is evident that in terms of privileging one over the other, multilateral cooperation and bilateral partnerships are complementary activities for a great power rather

⁴⁹ “Asean Way”, a style of diplomacy or code of conduct evolved in intra-ASEAN, see David Capie and Paul Evans, *The Asia Pacific Security Lexicon*, Singapore: Institute of Southeast Asian Studies, 2002, pp. 14- 27. The ‘ASEAN way’ is characterised by soft institutionalisation, with six norms: sovereign equality, the non-recourse to use of force and the peaceful settlement of conflict, non-interference and non-intervention, the non-involvement of ASEAN to address unresolved bilateral conflict between members, quiet diplomacy, mutual respect and tolerance, see Michael K. Connors, Remy Davidson and Jörn Dosch, *The New Global Politics of the Asia Pacific*, London and New York: RoutledgeCurzon, 2004, p. 81.

⁵⁰ For China, the most important forums are the meetings of ASEAN+3 and those under the umbrella of the ARF and the SCO.

⁵¹ Conflict prevention by promoting security cooperation and an overview of conflict prevention capacities can be found at Craig Collins, Erik Friberg and John Packer, *Overview of Conflict Prevention Capacities in Regional, Sub-regional and Other Inter-governmental Organisations*, European Centre for Conflict Prevention, Amsterdam, October 2006, [<http://www.conflict-prevention.net/uploads/File/ECCP%20Publications/Overview%20of%20Conflict%20prevention%20capacities%20in%20RIGOs.pdf>].

than competing ones. China holds a 'comprehensive strategic partnership' with Russia that has opened up a wider engagement across Eurasia. These two great powers, in turn, have become sensitive to Washington's punitive interventions abroad and the resurgence of terrorist activities. These have been key post-9/11 issues for the SCO which comprises of China and Russia, the great power members.

The thesis does not aim to establish a blueprint for a well-functioning system of security cooperation in the wider Indo-Asia-Pacific region. The varying memberships, mandates and scope of selected Track I and Track II multilateral frameworks makes this development a gradual process. The nature of the regional security cooperation is in many cases inter-governmental, "a hostage to the national foreign policies of their respective members".⁵² This contrasts with the nature of the European Union (EU) processes based in large part on supranationalism. Therefore, the conclusions drawn here are not the result of a comparison of diverse regional environments. Rather, an explanation is sought as to how the prevailing (early 21st century) use of regional organizations and soft balancing functions within the confines of the Indo-Asia-Pacific region have emerged. This thesis offers an important answer to those who deny that soft balancing has taken place and to those who claim that soft balancing was an isolated response to the Bush Administration's unilateralist policies after 9/11.

⁵² Jürgen Haacke, "Regional Security Institutions: ASEAN, ARF, SCO and KEDO", in *Asian Security Reassessed*, ed. Stephen Hoadley and Jürgen Rüländ, Singapore: Institute of Southeast Asian Studies, 2006, p. 129.

Overview of Thesis

This thesis explores the theoretical underpinnings of the soft balancing concept as well as the practical application on two major case studies. The introduction outlines the theoretical issues facing the concept of balancing. It argues the classical realist view of balancing is insufficient in explaining contemporary balancing behavior, where more indirect, non-military and subtle strategies by great and middle powers are used to limit the influence of a dominant or threatening state. It also highlights the role of regional organizations and non-official multilateral frameworks in the Indo-Asia-Pacific. This chapter explores the complex relationships between selected regional organizations and state actors, providing the background within which soft-balancing has evolved.

Chapter Two focuses on theoretical perspectives – realism, liberalism and social constructivism – and their views on the importance of regional organizations. It is argued that the Western-driven structural realism and social constructivism are the most suitable approaches for theoretical assessment as long as they include the influence of charismatic leaders or their enabling institutions (such as the military or a powerful political party) in driving policy within this specific region. The second chapter further discusses methodology and case selection. The limitations of this thesis are also discussed, based on the strategic culture of the main state actors and organizations. These include limited transparency in reporting of their joint activities, and the youthfulness of the SCO as an organization. It should be noted that over recent years all parties have improved their disclosure of foreign policy priorities and have consolidated coordinated approaches within the SCO vis-à-vis common threats.

Chapter Three explores the concept of “soft balancing” in the context of the main alignment strategies. It provides a comparative analysis of alternative state strategies: soft bandwagoning and hedging, which float between two extreme alignment strategies: bandwagoning and balancing. A diagram is used to explain the dichotomy between these concepts. This chapter provides examples of historical cases and 21st century soft balancing behaviors as well as defining the concept of soft balancing in the context of existing literature. It also outlines the key variables before a detailed analysis of practical case studies is undertaken in chapters four and five.

In Chapter Four, the strategic environment of the post-Cold-War Southeast Asia, and the response of the ASEAN member states towards the ‘China Threat’ is described. It analyzes ASEAN-China relations and ASEAN’s use of soft balancing when countering China’s re-emergence in the region. For example, China’s role has been welcomed in the Council for Security Cooperation in the Asia Pacific (CSCAP) and the ARF perhaps with the aim of socializing Beijing towards gradual internalization of shared norms. This strategy, however, is limited, due to China’s unwillingness to compromise its national interests, especially in spheres where its territorial integrity is threatened. In relation to this, China’s approach to resolving the South China Sea dispute is assessed.

In Chapter Five, the thesis focuses on the SCO’s soft balancing strategy vis-à-vis the U.S. after 11 September 2001. It delineates the strategic environment in Central Asia and analyzes regional policies of major state actors: Russia, China and the United States and their relations with the ‘Stans’ (Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan). This chapter explores confidence building within the Shanghai Five processes and the establishment of the SCO. It argues that the SCO

was not created with the idea of constraining an external state actor; however, the SCO has contributed to undermining U.S. operability in Central Asia and reducing the spread of Western-style democracy among the SCO member states. The SCO soft-balancing strategy is tested through the case of ‘territorial denial’ to the U.S. and allied military forces at a military base in Uzbekistan. The second test is related to the SCO’s normative power and how applying the “Shanghai Spirit” challenges Western democratic concepts and contributes to regime preservation in the SCO member states.

Chapter Six analyzes limits to the SCO’s soft balancing strategy. This is conducted through an investigation of how the SCO responded to the Russia-Georgia War of 2008. Russia engaged in a conflict that contradicted the SCO principle on combating separatism. The SCO member states restated their commitment to preventive diplomacy and the role of the UN in conflict prevention and resolution, but this did not change Russia’s position, nor alter later conditions ‘on the ground’.

Drawing together the insights from these six chapters, Chapter Seven presents conclusions about great and middle powers’ use of the regional organizations (ASEAN and the SCO) and soft balancing in order to constrain a dominant state or one perceived as threatening. It is argued that the soft balancing strategy was used apropos a re-emerging China of the 1990s and as a means of constraining U.S. policies viewed as threatening, especially after the start of military operations in Iraq. States, however, tend to shift their strategies when core national interests are compromised, and consequently, they often use soft balancing on their own narrower terms, at times undermining regional consensus.

CHAPTER TWO: Theoretical Perspectives on Regional Structures

State behavior in regional organizations is examined in this thesis through theoretical approaches that have been selected for their explanatory value. Although none of the main international relations theoretical approaches has origins in the Indo-Asia-Pacific, they provide valuable tools for assessing the interactions of selected states, especially when paying attention to their historical, societal, political, economic and other relevant features. A single theoretical approach is insufficient to capture the complexities of the SCO and ASEAN member states and the interplay between these states. A combination of neorealist structuralism and constructivism is used here to explain the great and middle power responses to the increased presence of the United States and China in the Indo-Asia-Pacific. This chapter begins with a discussion of how major theoretical approaches represent the role of regional organizations. Special attention is given to historical variables and the deeply engraved sense of mistrust among the states in the Indo-Asia-Pacific. These countries, historically, have promoted realist concepts of nationalism, sovereignty and territoriality, with a special focus on the doctrine of non-interference. However, they have begun to call for regional solutions by promoting a constructivist approach to decision-making, which supports a consensual means of reaching a mutual agreement in an informal setting.

The chapter concludes by outlining the methodology and the case studies employed. The cases to be evaluated are contemporary and constantly evolving. However, the focus will be on ASEAN's use of soft balancing vis-à-vis China in the 1990s and the SCO's use of soft balancing vis-à-vis the U.S. in the first decade of the 21st

century. Both cases resulted in constraining the influence of China and the U.S., whose behavior was viewed as ‘threatening’ in specific regional settings.

Continuity, Cooperation and ‘What States Make of It’

Three theoretical perspectives dominate discussions of the role and relevance of regional structures – realism, liberalism and constructivism. Before assessing their main theoretic perspectives on regional organizations, and their application to the selected region, it is beneficial to provide the view of the United Nations (UN) on the role of regional processes.

It is argued here that as long as a core of convergent interests is sustained by the key actors, state security can be linked to region-building with the view toward them being mutually constructive rather than mutually competitive.⁵³ On this basis, selected multilateral frameworks lead their member states towards regionally responsible behavior and a commitment to shared norms. The UN has recognized the task-sharing role of regional arrangements (agencies) in the UN Charter (Chapter VIII, articles 52-54).⁵⁴ Although the UN views the Security Council as the main bearer of responsibility for maintaining peace and security in the world, increasing attention is given to regional frameworks. In the words of former UN Secretary-General Boutros-Boutros Ghali, the Security Council members “in many cases possess a potential that should be utilized in serving the functions covered in this report: preventive diplomacy, peace-keeping, peacemaking and post-conflict

⁵³ If fully developed, this could lead towards a pattern of cooperative security. See: William Tow, *Tangled webs: Security Architectures in Asia*, Canberra: Australian Strategic Policy Institute, July 2008, [http://www.aspi.org.au/publications/publication_details.aspx?ContentID=174&pubtype=5]; Paul M. Evans “Cooperative Security and Its Discontents in Asia-Pacific: The ASEAN Connection”, *American Asia Review* 19, issue 2, Summer 2001, pp.99-120; Arlene B. Ticker and Ann C. Mason, “Mapping transregional security structures in the Andean region”, *Alternatives: Global, Local, Political* 28, no.3, June-July 2003, pp.359-393.

⁵⁴ Article 52 in particular invites “regional action” as long as these “activities are consistent with the Purposes and Principles of the United Nations”. The UN also encourages “the development of pacific settlement of local disputes through such regional arrangements”. See: UN Charter, Chapter VIII: Regional Arrangements (Articles 52-54), [<http://un.by/en/documents/ustav/ustavgl8text.html>].

peace-building”.⁵⁵ Both ASEAN and the SCO have collaborated with the UN and have signed Memoranda of Understanding to strengthen their cooperation. The UN has officially acknowledged the SCO as “an essential forum for addressing security in Eurasia in all its dimensions – political, economic, military, and environmental”.⁵⁶ Likewise, ASEAN has seen cooperation with the UN as a key regional strategy. The organizations, which signed the Memorandum of Understanding on 27 September 2007,⁵⁷ established a Comprehensive Partnership during the 4th Summit in Bali on 19 November 2011. This collaboration contributes to maintaining regional peace and stability.

ASEAN hoped to use UN assistance in cases of the peaceful settlement of disputes.⁵⁸ Resolving the South China Sea dispute is of a particular interest. ASEAN nations encourage the disputing parties to deal with their differences by observing international law – specifically, the UN Convention on the Law of the Sea (UNCLOS).⁵⁹ China is a signatory to this agreement, which limits the area of ‘territorial waters’ and ‘exclusive economic zones’; however, it prefers a resolution on a bilateral basis, rather than regionally through ASEAN or internationally via the UN, in spite of multilateral dialogue on other issues such as free trade agreements.⁶⁰ This dispute thus demonstrates a mixture of hard power and norms-

⁵⁵ Boutros-Boutros Ghali, “An Agenda for Peace, Preventive Diplomacy, peacemaking and peace-keeping”, Report on the Secretary-General’s statement at the Summit Meeting of the Security Council on 31 January 1992, 17 June 1992, [http://www.unrol.org/files/A_47_277.pdf].

⁵⁶ Ban Ki Moon, Secretary-General’s Message to the Council of Heads of State of the Shanghai Cooperation Organization (SCO), delivered by B. Lynn Pascoe, Under-Secretary-General for Political Affairs, Yekaterinburg, Russia, 16 June 2009, [<http://www.un.org/apps/sg/sgstats.asp?nid=3926#>]

⁵⁷ Memorandum of Understanding between the Association of Southeast Asian Nations (ASEAN) and the United Nations (UN) on ASEAN and UN cooperation, New York, 27 September 2007, [<http://www.aseansec.org/21918.pdf>].

⁵⁸ The Annex to the Joint Declaration on Comprehensive Partnership between the Association of Southeast Asian Nations (ASEAN) and the United Nations (UN) stipulates in point A ‘Political and Security Cooperation’ in section 2.3 to “Promote peaceful settlement of disputes in accordance with the principles of the UN Charter, the ASEAN Charter, and international law”, [<http://www.aseansec.org/documents/19th%20summit/UN-JD.pdf>]

⁵⁹ United Nations Convention on the Law of the Sea of 10 December 1982, United Nations Official Website, [https://www.un.org/depts/los/convention_agreements/texts/unclos/UNCLOS-TOC.html].

⁶⁰ “ASEAN wants UN law to settle South China Sea row”, *Manila Times*, AFP, 11 July 2012, [<http://www.manilatimes.net/index.php/news/headlines-mt/26619-asean-wants-un-law-to-settle-sea-dispute>].

based elements, with only a partial shift towards multilateral solutions (see further below).

Consistent with the theme of this thesis, this chapter utilizes theoretical perspectives to analyze the role of regional organizations in order to determine whether they are useful in facilitating soft balancing. The three theories assessed in this section display different views as to how important regional organizations are within the international system. It should be noted that International Relations theories have undergone several revisions and there exist variations of perspectives within each. Their theoretical application is even more complex in the Indo-Asia-Pacific, where the underlying Western concepts are applied to societies of non-Western heritage. The following analysis will briefly highlight the main tenets of each theory, focusing on their view of power in relation to balancing and cooperation between states.

The most distinct categories of realism are: traditional or classical realism as represented by Hans Morgenthau;⁶¹ and neorealism, or structural realism, under the seminal influence of Kenneth Waltz.⁶² The structural realists are further classified into ‘offensive realists’ – John Mearsheimer⁶³ is one such who believes that states maximize their power and hegemony is the primary goal – and ‘defensive realists’ – exemplified by Robert Jervis,⁶⁴ who claims that states support the status quo as long as their security is preserved. All realists believe that sovereign states are the main actors in international politics and are forced to pursue power politics in

⁶¹ Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, New York: Alfred A. Knopf, 1948.

⁶² Kenneth Waltz, *Theory of International Politics*, Reading, MA: Addison-Wesley, 1979; Waltz restated his argument after the end of the Cold War in “Structural Realism After the Cold War”, *International Security* 25, Summer 2000, pp. 5-41.

⁶³ John J. Mearsheimer, *The Tragedy of Great Power Politics*, New York: Norton and Co., 2001.

⁶⁴ Robert Jervis, “Cooperation Under the Security Dilemma”, *World Politics*, vol.30, no.2, 1978, pp.167-214.

support of national interests.⁶⁵ All hold that the international system is ‘anarchic’ but each has different views on states’ autonomy within this system: classical realists see states acting upon and shaping the international system, while neorealists suggest that states are somewhat constrained by the system’s structure.⁶⁶

In general, classical realists are sceptical about the efficacy of regional intergovernmental (IGOs) and non-governmental organizations (NGOs). While they do not completely disregard them, they do emphasize their youth and weaknesses.⁶⁷ States are seen to comply with norms not because they are virtuous but because it is in the state’s best interest to do so. Thus, Track II organizations are seen as mere ‘talk shops’ relying on leading states to give them some authority. The belief that the strongest states in the system shape these organizations to increase their relative power⁶⁸ is often exemplified by the North Atlantic Treaty Organization (NATO). NATO is a product of the power distribution that prevailed during the Cold War and it is argued that it has been a tool for the U.S. to deal with the Soviet threat during the Cold War and subsequently with the threat of terrorism, especially after 9/11.⁶⁹ While realism adequately explains several important aspects of the international system – anarchy, state-centric behavior and the distribution of capabilities – it is less than satisfactory regarding a range of other variables. It downplays, for example, the importance of norms, institutions and identities, and

⁶⁵ Jack Donnelly, “Realism”, in *Theories of International Relations*, 3rd ed., ed. Burchill, Scott et al Houndmills, Basingstoke: Palgrave Macmillan, 2005, p.30.

⁶⁶ Karen A. Mingst, *Essentials of International Relations*, 3rd ed., New York, NY: W.W. Norton & Company, 2004, p.86; Hedley Bull, *The Anarchical Society: A Study of Order in World Politics*, New York: Columbia University Press, 1977.

⁶⁷ Michael Leifer, “ASEAN as a Model of a Security Community?”, in *ASEAN in a Changed Regional and International Political Economy*, ed. Hadi Soesatro, Jakarta: Centre for Strategic and International Studies, 1995, pp.129-42.

⁶⁸ Tony Evans and Peter Wilson, “Regime Theory and the English School of International Relations: A Comparison”, *Millennium Journal of International Studies*, vol. 21, no.3, Winter 1992, p.330.

⁶⁹ John J. Mearsheimer, “The False Promise of International Institutions”, *International Security*, vol.19, no.3, Winter 1994/95, pp.13-14.

does not provide sufficient explanation of the issue of rapid change in international relations.

The liberal view of IGOs and NGOs lies opposed to realism, seeing these organizations as playing independent roles which enhance regional cooperation among member states in the international system and reduce their transaction costs. Organizations are understood to provide information which can help states to avoid worst-case scenarios by raising awareness of each other's intentions.⁷⁰ Liberals believe that collective action and collective security are needed in dealings with violators of international law. The autonomous exercise of power available to a single state is rather ineffective, and for liberals, unofficial channels (Track II) play increasingly important roles in facilitating collective action in highly strategic or political issues; issues too sensitive to be dealt with directly by governments. In such cases, they complement the work of governments.⁷¹

An alternative approach to traditional international relations theories is constructivism, outlined primarily in the works of Alexander Wendt and John Ruggie.⁷² Constructivism goes beyond the material, economic and military power, and can be measured socially by indicators. Wendt holds that although state leaders

⁷⁰ Robert O. Keohane and Lisa L. Martin, "The promise of institutional theory", in *Theories of War and Peace*, ed. Michael Brown et al., Cambridge and London: MIT Press, 1998, pp.390-391; Shah M. Tarzi, "International Regimes and International Relations Theory: Search for Synthesis", *International Studies* 40, February 2003, pp. 23-39.

⁷¹ Brian Job, "Track 2 Diplomacy: Ideational Contribution to the Evolving Asia Security Order", in *Asian Security Order: Instrumental and Normative Features*, ed. Muthiah Alagappa, Stanford, CA: Stanford University Press, 2003, p.247.

⁷² Alexander Wendt, *Social Theory of International Politics*. Cambridge: Cambridge University Press, 1999; John Gerard Ruggie "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order", *International Organization*, vol. 36, no. 2, Spring 1982, pp.379-415; John Gerard Ruggie "What Makes the World Hang Together? Neo-Utilitarianism and the Social Constructivist Challenge", *International Organization*, vol. 52, no. 4, Autumn, 1998, pp.855-885.

are the principal actors in international politics, their political decisions are influenced by many variables, including cultural norms, values, identities and socialization. How states perceive each other matters and this is affected by shared knowledge. The anarchy of friends differs from that of enemies and self-help from collective security.⁷³ John Ruggie suggests that ‘social constructivism’ holds up wider possibilities for system-transformation within international affairs, a stronger role for ‘ideational factors’, and a greater number of actors operating at different levels than those of the state.⁷⁴

For constructivists, Track I and II organizations provide useful spaces where state elites and academics may share ideas and socialize collective norms through their interactions. These experiences allow them to define their interests, to build social identity, and even to reassess their images of the world.⁷⁵ Security issues result from inter-subjective interactions. Historical legacies and cultural traditions, role perceptions of self and others are deeply ingrained in the collective memory of a nation and society, and these guide decision-makers in their actions. Constructivism promotes ideas and norms circulated and propagated by regional and international institutions, which its proponents believe, are the main elements of “a socially constructed concept of security”.⁷⁶

⁷³ Alexander Wendt, “Constructing international politics”, in *Theories of War and Peace*, ed. Michael Brown et al. Cambridge, MA: MIT Press, 1998, pp.418-423.

⁷⁴ John Gerard Ruggie “What Makes the World Hang Together? Neo-Utilitarianism and the Social Constructivist Challenge”, *International Organization*, vol. 52, no. 4, Autumn, 1998, pp.855-885.

⁷⁵ Alexander Wendt, *Social Theory of International Politics*. Cambridge: Cambridge University Press, 1999; Emanuel Adler et al., *Security Communities*, Cambridge: Cambridge University Press, 2002.

⁷⁶ Stephen Hoadley, “The Evolution of Security Thinking: Overview”, in Hoadley and Rüländ, p.9.

Historical variables, such as long-held animosities and mistrust, play a crucial role when testing theories in the Indo-Asia-Pacific region,⁷⁷ with India-China relations being a particular case in point. Their mutual suspicion dates back to disagreements over border demarcations and China's rule in Tibet. Tensions peaked during the Sino-Indian War of 1962 and the ensuing mistrust was reinforced by China's support of Pakistan during the Cold War.⁷⁸ Beneath this, however, a deeper debate about leadership in the developing world and relative influence in Asia heightened sensitivities further. John W. Garver argues that the 1962 war between India and China "finally destroyed Nehru's vision of pan-Asian unity to create a new, post-colonial order";⁷⁹ instead leading to the emergence of "asymmetric perceptions of mutual threat" between Delhi and Beijing – that is, China does not perceive India as a serious threat, but India finds China and its actions threatening.⁸⁰

Historical legacy can be so deeply embedded that it prevents countries from cooperating even when they share common interests. Jihwan Hwang uses the example of Japan and South Korea to demonstrate this point by asking why Tokyo and Seoul did not choose a bilateral security alliance after World War II, since each entered into one with the United States. His answer sees an entrenched historical

⁷⁷ Thomas, J. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia", *International Security* 23, no.4, 1999.

⁷⁸ See John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century*, Seattle and London: University of Washington Press, 2001 for an analysis of the Sino-Indian relations during the second half of the twentieth century.

⁷⁹ John W. Garver, "India, China, the United States, Tibet, and the Origins of the 1962 War", *India Review*, vol.3, no.2, April 2004, p.171.

⁸⁰ John W. Garver, "Asymmetrical Indian and Chinese Threat Perceptions", *Journal of Strategic Studies*, vol.25, no.4, December 2002, p.109; Currently Beijing focuses on India's naval advancements, while Delhi is preoccupied with China's military modernization. They hold similar interest in the other's nuclear strategy, aerospace and aviation programs. See: Lora Saalman, "Divergence, Similarity and Symmetry in Sino-Indian Threat Perceptions", *Journal of International Affairs*, vol.64, no.2, Spring/Summer 2011.

antagonism passing from generation to generation in South Korean society, preventing them from pursuing stronger security cooperation.⁸¹

Scholars have questioned whether such Western international relations theories are adequate in the analysis of the contemporary Indo-Asia-Pacific region.⁸² William T. Tow argues that Asia-Pacific policy makers, having only recently been “liberated from the vestiges of colonialism”, equate their own political survival with national security. He claims that “traditional state-centric policy relations are paramount in the region and an integrated realist-liberalist framework remains the most relevant approach to discussion of the Asia-Pacific region”. According to Tow, constructivism was created by European and American theorists and is not ‘mature’ enough to be applied to Asia.⁸³ In contrast, Amitav Acharya points out that norms and identity in Southeast Asian regional order are central to regional politics. In his view, regionalism in this part of the world cannot be explained simply by the great power balance, as argued by realists such as Michael Leifer,⁸⁴ but is also shaped by ideational forces, including norms and the politics of identity building.⁸⁵

In 2007, the journal *International Relations of the Asia-Pacific*⁸⁶ asked: “Why is there no non-Western international relations theory?” Acharya and Buzan noted that there are various ways to answer such a question: 1) that Western international

⁸¹ Jihwan Hwang, Rethinking the East Asian balance of power: historical antagonism, internal balancing, and the Korean-Japanese security relationship, *World Affairs*, vol. 166, no. 2, Fall 2003.

⁸² “Introduction”, in *International Theory and the Asia-Pacific*, ed. G. John Ikenberry and Michael Mastanduno, New York, NY: Columbia University Press, 2003, p.2.

⁸³ William Tow, “Alternative Security Models: Implications for ASEAN”, in *Broadening Asia’s Security Discourse and Agenda*, ed. Ramesh Thakur and Edward Newman, Tokyo: United Nations Press, 2004; A stronger role for multilateralism is suggested in William Tow *Tangled webs: Security Architectures in Asia*, Canberra: Australian Strategic Policy Institute, July 2008, [http://www.aspi.org.au/publications/publication_details.aspx?ContentID=174&pubtype=5]

⁸⁴ Michael Leifer, *The ASEAN Regional Forum*, Adelphi Paper no. 302, London: International Institute for Strategic and International Studies, 1996.

⁸⁵ Amitav Acharya, “Do norms and identity matter? Community and power in Southeast Asia’s regional order”, *The Pacific Review*, vol.18, no.1, March 2005, pp.97-98; Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order*, 2nd ed., New York, NY: Routledge, 2009.

⁸⁶ *International Relations of the Asia-Pacific*, vol. 7, 2007.

relations theories are universal in all cultural contexts; 2) that these schools have dominated the intellectual world for quite some time, and therefore are subconsciously accepted regardless of how true they are; 3) that there are indeed non-Western international relations theories; however, they are hidden due to language barriers and the consequent difficulties of non-Western scholars in accessing English language-dominant A+ journals; 4) that there are diverse developmental and local conditions outside the West and less developed countries are more concerned with their domestic problems or regional issues than with the overarching international system; and 5) that there is a wide gap between the Western and non-Western developments of international relations theories.⁸⁷

In addition to these points, there arises another question: In order to have an Asian international relations theory, we must ask ‘who proposes it?’ The possibilities that arise are: only people who were born, raised and educated in the region; Asian scholars who have Western citizenship and are based in Asia; or contributions come from Westerners who live in the West but possess a great knowledge of Asia?⁸⁸ Although strategic culture may be informed by past political systems, modern Asian international relations discussions remain engaged with Western models, even if these are interpreted through particular linguistic and translational formula.⁸⁹

⁸⁷ Amitav Acharya and Barry Buzan, “Why is there no non-Western international relations theory? An introduction”, *International Relations of the Asia-Pacific*, vol.7, 2007, pp. 287-301.

⁸⁸ Ibid., p.301. See also Tu Wei-ming’s Tu three symbolic universes of ‘Cultural China’ in which the intellectual enterprise of China as an ideational construct includes cultural and ethnic Chinese in their homeland, the Chinese diaspora around the world, and non-Chinese people such as Western scholars and business people who influence the discourse on China. Tu Wei-ming, “Cultural China: The Periphery as the Centre”, *Daedalus*, vol. 120, no. 2, Spring 1991, pp. 1-32. While not directly relevant to International Relations theory, it does provide a parallel for who is ‘eligible’.

⁸⁹ See for example Yan Xuetong *Ancient Chinese Thought, Modern Chinese Power*, ed. Daniel A. Bell and Sun Zhe, translated by Edmund Ryden, Princeton: Princeton University Press, 2011.

No single answer to these dilemmas has been forthcoming to date. Southeast Asian leaders had to accept Western concepts if they wanted to gain legitimacy and maintain the leadership of their respective countries. Influential views on world order came from the leaders themselves, rather than directly from scholars. Such is the case with India's Jawaharlal Nehru India or Sukarno in Indonesia. Meanwhile, in the West, it was not unusual, for academics that theorize to hold strategic positions within government. This can be seen in the U.S., where theorists such as Joseph Nye, the co-founder of complex interdependence and the pioneer of the concept 'soft power', became Assistant Secretary of Defense for International Security Affairs in the Clinton Administration.⁹⁰ Nye argues that you can influence others through culture and values rather than coercing through threats.

Thus, it is this minimalist or 'soft' form of realism that is mobilized in the Indo-Asia-Pacific at present. This is the case especially in Southeast Asia where countries balance against threats rather than power. Incorporating threat perceptions, which are shaped by other non-realist variables, conforms to 'balance of threat' theory rather than to 'balance of power'. The notion of balance of threat was introduced by Stephen Walt, and argues that states balance against threats, rather than against external capabilities. Threats, as such, are defined as perceived intentions, geographic proximity and offensive capabilities.⁹¹ While the importance of power as a factor in inducing balancing behavior should not be downplayed, it should not be the only factor under consideration. J. David Singer's 1958 formulaic

⁹⁰ Henry Kissinger is a prominent example. Kissinger was National Security Advisor and Secretary of State during the Nixon and Ford Administrations and is a big proponent of *Realpolitik*. His views on U.S. Diplomatic approaches are widely discussed in his *Diplomacy*, New York, NY: Simon & Schuster, 1994. His support for power politics is analyzed in Hans Kung, *Global Ethic for Global Politics and Economics*, Cary, NC: Oxford University Press, 1988. See further Geoffrey Wiseman, "Distinctive Characteristics of American Diplomacy", in *American Diplomacy*, Paul Sharp and Geoffrey Wiseman, Leiden: Martinus Nijhoff Publishers, 20 January 2012. Likewise, Zbigniew Brezezinski has been a scholar, statesman and media commentator. Others, such as Hans Morgenthau, were variously consultants to, or critics of, government policy.

⁹¹ Stephen Walt, *The Origins of Alliances*, Ithaca, NY: Cornell University Press, 1987, p.5.

expression of ‘Threat Perception = Estimated Capability x Estimated Intent’⁹² is still relevant in capturing the notion that power as represented by capabilities is not enough. Intentions, which are much more difficult to ascertain, are crucial in assessing threat.

These considerations assign only a limited role to hard power when balancing threats, and have led to a growing appreciation of soft power diplomacy in the 21st century (Appendix Two).⁹³ A clear case lies in China’s effort to use the attractiveness of its culture throughout the region, and promote higher education of foreigners in Chinese universities in order to fill the ranks of future generations of elites with individuals more sympathetic of, and accommodating, to Chinese interests.⁹⁴ Chinese scholars promote defensive rather than offensive realism, and are guided in this by China’s policy of ‘peaceful development’ (*heping fazhan*).⁹⁵ This formulation, which superseded ‘peaceful rise’, was introduced in 2004 in partial response to concerns over U.S. threat perceptions of China, and draws its non-offensive policy lineage from the Five Principles of Peaceful Coexistence (mutual respect for territorial integrity and sovereignty; mutual non-aggression; non-interference in each other's internal affairs; equality and mutual benefit; and peaceful coexistence) that were first articulated in 1953 and incorporated in the

⁹² J. David Singer, “Threat Perception and the Armament-Tension Dilemma”, *Journal of Conflict Resolution*, vol.2, no. 1, March 1958, pp. 90-105. Another pioneering work in the ‘threat perception’ literature is Thomas C. Shelling, *The Strategy of Conflict*, New York, NY: Oxford University Press, 1960.

⁹³ Appendix Two illustrates an example of mapping the world’s soft power index and highlights the growing interest in providing more detailed and comparative assessments of national soft power resources. The results, as shown in Appendix Two, clearly demonstrate that both, Russia and China, are still not serious competitors to the U.S. and other middle and great powers in categories such as ‘diplomacy’, ‘business’ and ‘government’, however, they are ranked among top ten countries in ‘culture’ (Russia and China) and ‘education’ (China). Further explanation of the index and results can be found in Jonathan McClory, “The New Persuaders II: a 2011 Global Ranking of Soft Power”, Institute for Government, 1 December 2011, [http://www.instituteforgovernment.org.uk/sites/default/files/publications/The%20New%20PersuadersII_0.pdf]

⁹⁴ David Shambaugh, “China Engages Asia: Reshaping the Regional Order”, *International Security*, vol.29, no.3, Winter 2004/05, pp.77-78.; various aspects of China’s soft power, including multilateralism, the good-neighbor policy and cultural diplomacy is in *China’s Soft Power and International Relations*, ed. Hongyi Lai and Yiyi Lu, London: Routledge, 2012.

⁹⁵ Two government white papers were produced on ‘peaceful development’: State Council Information Office of the PRC, *China’s Peaceful Development Road*, Beijing, December 2005; and *China’s Peaceful Development*, September 2011.

Constitution.⁹⁶ While China is greatly concerned about the U.S. hegemony, its concern is also directed towards the use of the word ‘hegemony’ in relation to itself, since officially China does not support policies that allow the use of force or interference in the domestic affairs of another country, as indicated in its above-mentioned Five Principles of Peaceful Coexistence.⁹⁷

Indo-Asia-Pacific states have shown themselves to be selective in their choice of concepts upon which to base state policy. Western ideas such as territoriality, nationalism and sovereignty were expanded into ‘the doctrine of non-intervention’, which has become a core norm within ASEAN and the SCO.⁹⁸ There is evidence that liberal thinking has had some influence in the form of a majority of ASEAN members viewing China as an economic opportunity rather than a major security threat, as demonstrated by the consequent signing of the China-ASEAN free trade agreement, which came into effect on 1 January 2010.⁹⁹ Neoliberal institutionalism thus has some relevance in explaining economic cooperation in the region, though

⁹⁶ For more detailed studies, see Rosita Dellios and R. James Ferguson, *China's Quest for Global Order: From Peaceful Rise to Harmonious World*, Lanham Md.: Lexington Books, 2013, Chapter 4; and Bonnie S. Glaser, and Evan S. Medeiros, “The Changing Ecology of Foreign Policy-Making in China: The Ascension and Demise of the Theory of “Peaceful Rise””, *The China Quarterly*, vol. 190, June 2007, pp. 291-310.

⁹⁷ China equates ‘hegemony’ with containing countries by force. This view is linked to China’s Century of Humiliation and the imposition of unequal treaties by Western powers. Susan L. Craig, *Chinese Perceptions of Traditional and Nontraditional Security Threats*, The Strategic Studies Institute, March 2007, p.28, [<http://www.strategicstudiesinstitute.army.mil/pdffiles/pub765.pdf>]; Resistance to outside influence and aggression are incorporated in China’s Five Principles of Peaceful Coexistence, “Carrying Forward the Five Principles of Peaceful Coexistence in the Promotion of Peace and Development”, Speech by Wen Jiabao Premier of the State Council of the People’s Republic of China At Rally Commemorating the 50th Anniversary of The Five Principles of Peaceful Coexistence, 28 June 2004, [<http://www.fmprc.gov.cn/eng/topics/seminaronfiveprinciples/t140777.htm#1>].

⁹⁸ Treaty of Amity and Cooperation in Southeast Asia, Bali, Indonesia, 24 February 1976, Association of Southeast Asian Nations official website, [<http://www.aseansec.org/1217.htm>]; Declaration on Establishment of the Shanghai Cooperation Organization, Shanghai, China, 15 June 2001, Official Website of SCO Summit 2012, [<http://www.scosummit2012.org/english/documents.htm>].

⁹⁹ This agreement generated some loud opposition in Indonesia, where the people were worried about a 50% drop in the domestic market share of the textile industry when China entered the market. See: “China-Asean Trade Deal Begins Today”, *Jakarta Globe*, 1 January 2010, [<http://www.thejakartaglobe.com/home/china-asean-trade-deal-begins-today/350274>].

it has failed to account adequately for ASEAN's successes or failures in the political and security sphere.¹⁰⁰

Constructivism has become rather more popular among researchers of the Indo-Asia-Pacific. This post-Cold War theory considers the role of norms and ideational forces in forming a common identity among Asian regional nations which seek regional autonomy based on the 'ASEAN Way' or the 'Shanghai Spirit'. Constructivism argues that rather than judging the informal and consensual way of decision-making in Asia as inefficient, it should be observed as an attribute of a political culture that incorporates respect for diversity of member states. Comparison should not be made with the EU institutions, for example, where decisions are made in a much more formal and bureaucratic setting.¹⁰¹

It would appear that constructivism and structural realism are particularly promising theoretical approaches in understanding state strategies and behavior within the Indo-Asia-Pacific. However, in order to adequately capture the essence of international relations in the Indo-Asia-Pacific, any theoretical assessment should include an ideational filter to account for the attitudes and institutional interests of military and political leaders from within the region, since these individuals greatly influence the way their countries perceive themselves and others. Deng Xiaoping, China's paramount leader until his death in 1997, is a notable example of leadership influence. He is remembered for his low-profile approach to global politics through his 'hide and bide' strategy (also known as the *24-character strategy*) which he announced to his fellow leaders in August 1991 in

¹⁰⁰ Amitav Acharya, *The Quest for Identity: International Relations in Southeast Asia*, Singapore: Oxford University Press, 2000, p.7.

¹⁰¹ Peter Katzenstein, "Introduction: Asian Regionalism in Comparative Perspective", in *Crafting Cooperation: Regional International Institutions in Comparative Perspective*, ed. Amitav Acharya and Alastair Iain Johnson, Cambridge: Cambridge, MA: University Press, 2007.

response to the Soviet Union's inevitable collapse: "Observe the development soberly, maintain our position, meet the challenge calmly, hide our capacities and bide our time, remain free of ambitions, never claim leadership."¹⁰² Later, "make some contributions" was added. Other influential leaders that stand out in the region's history are Malaysia's longest serving prime minister (1981-2003), Mahathir bin Mohamad, and his powerful UMNO (United Malays National Organization) party; his Singaporean counterpart Lee Kuan Yew; and Indonesia's former president, Suharto, who privileged the military as a domestic institution. Likewise, Central Asian states (with some exceptions as in Kyrgyzstan) have experienced a long-term continuity of dominant leaders in spite of having 'procedurally' democratic political systems. As such, their international relations have favoured a mix of post-Cold War multilateral engagement combined with strong efforts to resist deeper liberal reform or externally supported regime change (see further below).

Methodological Approach

This thesis employs the terminology of Stephen van Evera in speaking of a blend of theory testing, policy evaluative and historical evaluative methods.¹⁰³ Theory testing uses empirical evidence to evaluate existing theories; evidence which takes the form of case studies that are (1) interaction-specific, for example the engagement of China and Russia in the SCO, and (2) issue-specific, such as those dealing with possible areas of conflict, territorial and sovereignty issues (inclusive of border disputes and competing claims over islands in the South China Sea).

¹⁰²Office of the Secretary of Defense, *Annual Report to Congress: The Military Power of the People's Republic of China, 2005*, Washington, D.C.: U.S. Government Printing Office, 2005, p. 11.

¹⁰³ This terminology has been drawn from Stephen Van Evera, *Guide to Methods for Students of Political Science*, Ithaca and London: Cornell University Press, 1997.

State behavior is explored here using structural realist and constructivist theories. While realists explain state behavior mainly in terms of a country's relative position within the international distribution of power, constructivists seek to understand country's identity through "the inter-subjective understandings and expectations that constitute [a state's] conception of self and other".¹⁰⁴ Variables from each perspective are examined together. On its own, the constructivist approach could, for example, focus on arms control dialogues and tend to overlook links with any parallel dialogues that may be intensifying arms races.¹⁰⁵ Alastair Johnston provides the example of Chinese defense officials, in their concern over relative military balances, arguing for higher arms expenditures – in contrast to the voice of moderation from Chinese negotiators participating in ARF.¹⁰⁶

The policy evaluative method examines public policies and their implications on the engagement of key powers in multilateral frameworks over the period 1990-2012. Finally, the historical evaluative method examines those empirically-based and theoretical beliefs that guide official or unofficial policy actors and the consequences of the policies thus pursued. (This can be deduced from the various positions of the relevant leaders and their doctrines – for example, in the generational change of Chinese leadership).

Decisions in foreign policy involve complex sets of actors, data and perceptions. Power assessments are complicated constructs and are often targeted towards specific audiences. It is within this context that a range of indicators and statements must be explored in order to draw credible conclusions. Thus, a range of behaviors,

¹⁰⁴ Alexander Wendt, p.397. Cited in Henry R. Nau, "Identity and the Balance of Power in Asia", in John G. Ikenberry and Michael Mastanduno, p. 213.

¹⁰⁵ Henry R. Nau, "Identity and the Balance of Power in Asia", in John G. Ikenberry and Michael Mastanduno, p. 229.

¹⁰⁶ Alastair Iain Johnston, "Socialization in International Institutions: The ASEAN Way and International Relations Theory", in John G. Ikenberry and Michael Mastanduno, pp. 107-162.

formal statements (treaties, declarations and agreements) and policy statements (white papers, press releases, interviews with key leaders) are assessed here.

Selection of Case Studies

The research presented in this thesis has been organized around two case studies. Each case is presented as an example of soft balancing involving a regional organization. The primary focus of the first case study is ASEAN's soft balancing strategy towards China. While ASEAN may be characterized as a well-established, widely recognized and examined, multilateral framework with the prospect of creating an ASEAN Community by 2020,¹⁰⁷ it is analyzed here mainly as the ASEAN6 (Brunei, Indonesia, Malaysia, the Philippines and Singapore and Thailand). The period of this case study is the 1990s; however, reference is made to ASEAN-China relations post 2001 in relation to the South China Sea dispute. This allows one to trace the behavior of the ASEAN member states from the end of the Cold War, when the organization became more proactive in increasing its role in managing regional security and alleviating the possibility of a major conflict with China in the South China Sea.

The ASEAN case study provides an opportunity to test the regional response of a 'diplomatic' middle power towards a rising power perceived as a possible threat, in this case the re-emerging¹⁰⁸ great power, China. On the other hand, the second case study tests the response from the SCO, which is driven by two great powers, Russia and China, vis-à-vis the prevailing superpower, the U.S. These two case studies present the transitional strategic use of soft balancing in two distinct regional

¹⁰⁷ This pledge was made in the Bali Accord II in October 2003.

¹⁰⁸ Historically, imperial China was the largest and most powerful polity in East Asia.

environments under different strategic conditions. However, both cases explore changes in power distribution in the post-Cold War era. In ASEAN's case, the systematic evolution of Southeast Asia has accompanied China's growth. In the SCO's case, greater Central Asia has experienced a prolonged presence of foreign troops, due to wars in Afghanistan and Iraq (the latter not being strictly a Central Asian state but in a contiguous region and also subject to American military intervention). Subsequently, this has led to a competition over influence in newly established Central Asian republics, which are logistically vital with regards to basing and transit rights and the overall development of Eurasia.

Another merit of the SCO case is the fact that it is an emerging and often misunderstood regional organization, which has not been examined adequately in the context of internal dynamics within its own regional context. This study considers member states' perspectives and SCO's policy options with regards to external players.

Lastly, an application of the soft balancing concept can help in the study of strategic use of soft power. Failure to understand complexities of these evolving regional engagements and contemporary balancing behavior, when power is channelled through regional organizations, could lead to ill-informed foreign policy choices, especially when dealing with such important relationships as ASEAN-China relations and the Sino-Russian comprehensive strategic partnership vis-à-vis the U.S.

Conclusion

This chapter has reviewed some of the strengths and limitations of existing theoretical approaches as applied to great and middle power behavior in regional organizations. Most theoretical approaches have some relevance with regards to regional cooperation; however, they promote different concepts and levels of identification with the regional diplomatic community. The combination of two theoretical perspectives, neorealist structuralism and constructivism, offers a viable assessment of the interplay of state relations in the Indo-Asia-Pacific. Structuralists stress the importance of respecting territorial sovereignty and non-interference in the internal affairs of another state. This means that ASEAN and the SCO member states do not publicly criticize the development and governance of another state. The constructivist approach to decision-making, by comparison, is based on consultation which contributes to building an environment where regional solutions to regional problems are prioritized over external norms or models of intervention. Finally, the domestic actor variable of an influential leader (as was the case with China's Deng Xiaoping) or competing domestic voices (such as the Chinese military and foreign policy communities) needs to be considered as a moderating factor.

CHAPTER THREE: Explaining Soft Balancing Behavior

Soft balancing has only recently emerged as a research field in International Relations. Therefore, the existing literature on this subject is limited.¹⁰⁹ There are some inconsistencies in defining the concept and explaining its long-term relevance in International Relations theory. It is subject to continuing debate and a few early proponents who initially saw the applicability of soft balancing in their scholarly work, especially in the case of Chinese equity oil investment, but later decided to move beyond the soft balancing strategy and lean towards strategic hedging concepts.¹¹⁰ This thesis aims to revive discussion and advance understanding of soft balancing to new levels by means of the following: 1) examining mechanisms employed by ASEAN to constrain the ascent of China; and 2) identifying those mechanisms which the second-tier powers, China and Russia, adopted when dealing with the aftermath of the Cold War and the preponderant power of the United States. Through an analysis of the central works in this sphere of International Relations, theory, it becomes clear that some attention to the soft balancing argument has been generated. Although it might not be a broadly supported alignment theory, it certainly occupies a pivotal point along the continuum between two extremes of the spectrum of alignment strategies: balancing and bandwagoning. The works of the main proponents soft balancing and of its critics are introduced below.

¹⁰⁹ Chaka Ferguson, "Soft Power as the New Norm: How the Chinese-Russian Strategic Partnership (Soft) Balances American Hegemony in an Era of Unipolarity". *Florida International University Electronic Theses and Dissertations*. Paper 358, 28 March 2011, is a recent study which explains Sino-Russian determination to soft balance when dealing with U.S. hegemony.

¹¹⁰ This can be viewed in works of Brock F. Tesson and Wojtek Wolfe, participants of the Annual Meetings of the International Studies Association. Their co-authored conference papers from 2008 "Chinese Energy Agreements: Soft Balancing against the United States?" presented at the Annual Meeting of the International Studies Association – San Francisco, California, 26-29 March 2008, and 2010 "From Soft Balancing to Strategic Hedging," presented at the Annual Meeting of the International Studies Association – New Orleans, Louisiana, 17-21 February 2010, show a shift from the soft balancing approach to strategic hedging.

Soft Balancing in the context of main alignment strategies

The soft balancing argument gained in popularity in the 1990s when scholars embraced discussions about limiting the unilateral exercise of U.S. power by the more subtle, indirect and non-military security behavior of other states. The proponents of this strategy build on Kenneth Waltz's 'balance of power' realism and Stephen W. Walt's 'balance of threat' realism by claiming the emergence of a new variant of soft balancing; one that would not challenge the status quo of the U.S. primacy yet would restrain its actions in a more peaceful manner. Stephen M. Walt¹¹¹ accepts, supported by Josef Joffe,¹¹² that while there is an unbalanced power distribution in the international system, the tendencies to balance U.S. preponderance have been mild.¹¹³ There are various strategies which can be employed to deal with a dominant state or one perceived as threatening.¹¹⁴ Macfarlane succinctly captures the behavioral tendencies of the spectrum of powers, though a distinct bias in favor of realism is evident in the quip denigrating 'middle powers': "...small states generally bandwagon with threats, great powers tend to balance against them, 'middle powers' float in a postmodern universe that is largely irrelevant, and hegemonic powers seek to control".¹¹⁵ This view of middle power behavior needs to be extended to allow for the wider range of options available to such states, including soft alignment, soft balancing and hedging.

¹¹¹Stephen M. Walt, "Keeping the World Off Balance: Self Restraint and U.S. Foreign Policy", John F. Kennedy School of Government Working Paper 00-013, October 2000, [http://papers.ssrn.com/sol3/papers.cfm?abstract_id=253799].

¹¹²Josef Joffe, "Defying History and Theory: The United States as the 'Last Superpower'", in *America Unrivaled: The Future of the Balance of Power*, ed. G. John Ikenberry, Ithaca, N.Y.: Cornell University Press, 2002.

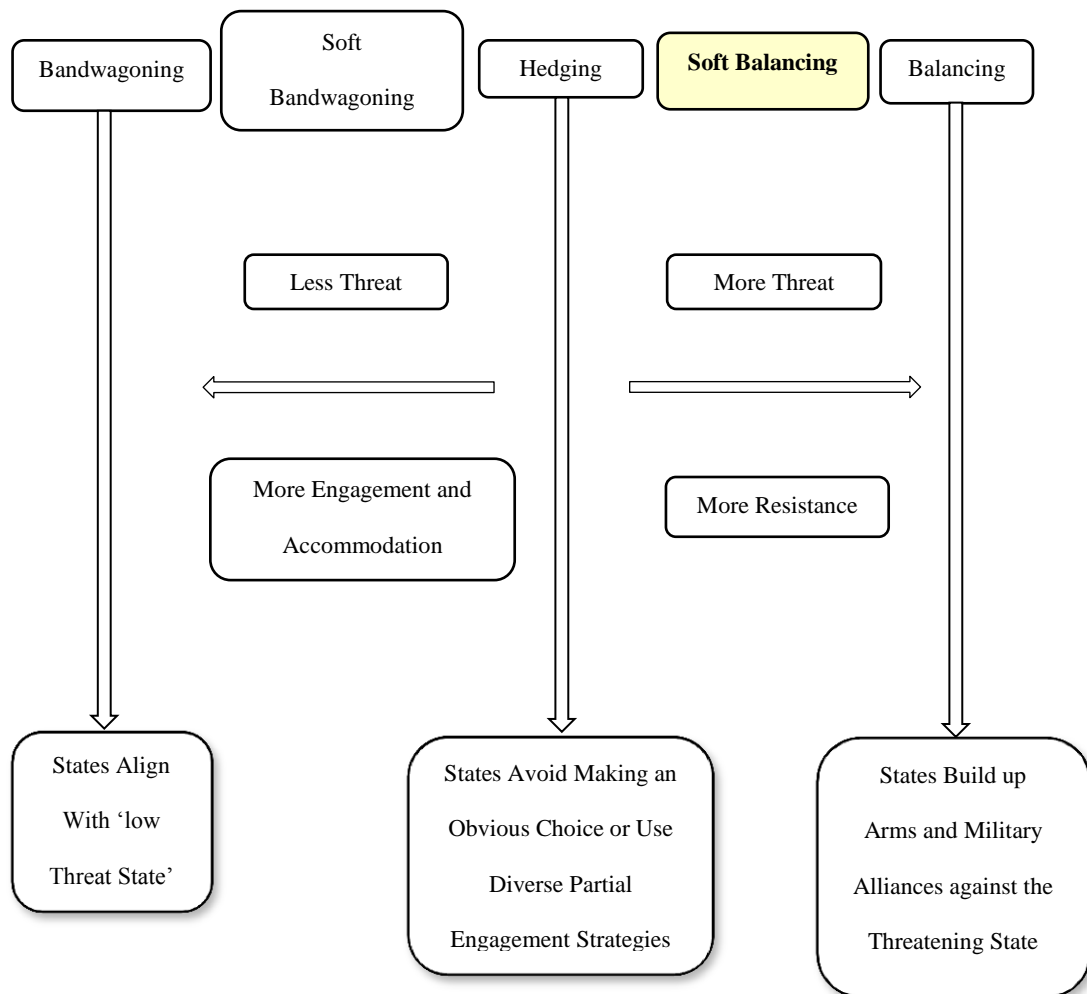
¹¹³Stephen M. Walt, "Keeping the World Off Balance: Self Restraint and U.S. Foreign Policy", John F. Kennedy School of Government Working Paper 00-013, October 2000, p.10, [http://papers.ssrn.com/sol3/papers.cfm?abstract_id=253799].

¹¹⁴Jack Snyder analyzes the importance of explaining the forms of alignment in "The Security Dilemma in Alliance Politics", *World Politics* 36:4, 1994, pp. 125-129.

¹¹⁵S. Neil Macfarlane, "The 'R' in BRICs: Is Russia an emerging power?" *International Affairs* 1, vol. 82, January 2006, p.42.

The figure below portrays the dichotomy between bandwagoning and balancing, the two extreme alignment strategies.

Figure 2: Soft Balancing in the Context of Main Alignment Strategies



Traditionally, internal balancing is used against powerful states by mobilizing military capabilities and conducting arms buildups; or less powerful or threatened states will balance externally by forming military alliances against another state.

By so doing, they hope to establish a balance of power.¹¹⁶ Despite being one of the most frequently used concepts in International Relations, the term balance of power is rather problematic. Ernst B. Haas laments that “the term is defined differently by different writers; it is used in varying senses, even if not defined exactly at all.”¹¹⁷ Haas himself identified eight verbal differences in meaning and four applied meanings of the term ‘balance of power’, each based on the intentions of its user.

In essence though, balance of power can be seen to manifest itself in two ways. Hans Morgenthau, the classical realist, refers to these as 1) “any actual state of affairs in international politics” with an (approximately) equal distribution of power between two or more states, or 2) a “policy” of balancing pursued by states to prevent one state from gaining a preponderant power.¹¹⁸ There is no single, accepted, quantitative method for measuring the existence of a balance of power in a particular international order. Hedley Bull claims that such balance exists if there is a “general belief” among the states that no single state is in a position of preponderance of power.¹¹⁹ Moreover, the attributes and dimensions of power at the national level remain one of the most problematic areas in foreign policy and international relations.¹²⁰ The measurement of power is further complicated by a unique Chinese index of ‘Comprehensive National Power’, which includes as many

¹¹⁶ Kenneth Waltz, *Theory of International Politics*, Reading, MA: Addison-Wesley, 1979; Waltz restated his argument after the end of the Cold War in “Structural Realism After the Cold War”, *International Security* 25, Summer 2000, pp. 5-41.

¹¹⁷ Ernst B. Haas, “The Balance of power: Prescription, Concept or Propaganda?” *World Politics* 5, no.4, July 1953, p.442.

¹¹⁸ Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, 5th ed., New York, NY: Alfred A. Knopf, 1978, p.173.

¹¹⁹ Hedley Bull, “The Balance of Power and International Order”, in *The Anarchical Society: A Study of Order in World Politics*, 2nd ed., London: Macmillan, 1995, pp.97-121, here, p.98.

¹²⁰ See for example John M. Rothgeb, Jr., *Defining Power: Influence and Force in the Contemporary International System*, New York, NY: St. Martin's Press, 1993; Robert L. Dilenschneider, *On Power*, New York, NY: Harper Business, 1994; Ralph Pettman, *International Politics*, Boulder: Lynne Rienner, 1991.

as 64 indicators of power (including economic, historical, military, political, scientific, and societal and their subsets). The Chinese military uses this concept to assess countries' strategic outlook and their potential combat effectiveness.¹²¹

One strand of realist thought argues that an equal balance of power does not guarantee stability in the world system, but rather it is ensured by the hegemony of one dominant state. According to the theory of hegemonic stability, it is this preponderant power which provides peace and stability. This can be seen in U.S. leadership post-World War Two, which favored active leadership in the world in its fight against the spread of Soviet and Chinese forms of communism. In addition, it installed military bases and formed alliances in Europe and Asia. In various instances, the U.S. pressured less powerful states to accept its ideals of democracy and free trade. Hegemonic stability theory then extends to cover the decline in power of the hegemonic state, due to overextended military commitments, enabling another great power or an alliance of states to challenge the hegemon, which can lead to war.¹²² The processes involved in leading to such conflict are commonly identified as 'hegemonic transition theory' or 'power transition theory'.¹²³

China, in particular, suffered from U.S.-imposed economic sanctions for two decades. During the Cold War, it criticized the global role of the "big hegemons": the U.S. and the Soviet Union, who in the words of Deng Xiaoping were "vainly seeking world hegemony. The two superpowers are the biggest international

¹²¹ See: Mark Leonard, Chapter 3: National Comprehensive Power, in *What Does China Think?* London: Fourth Estate, 2008, pp. 83-114. A more detailed explanation can be found in Michael Pillsbury, Chapter 5: Geopolitical Power Calculations, in *China Debates the Future Security Environment*, Washington, D.C.: National Defense University Press, January 2000.

¹²² Robert Gilpin, *War and Change in World Politics*, Cambridge, UK: Cambridge University Press, 1981.

¹²³ The theory was developed by A. F. K. Organski and first published in 1958 in his textbook, *World Politics*, New York: Knopf, 1958. A more recent text is Ronald L. Tammen et al., *Power Transitions: Strategies for the 21st Century*, New York: Seven Bridges Press, 2000. See further: John J. Mearsheimer, *Tragedy of Great Power Politics*. New York and London: W.W. Norton & Company, 2001.

exploiters and oppressors of today. They are the source of a new world war.”¹²⁴

Overall, however, it is argued that China is not opposed to a particular country, but against hegemonic policies, which are a sign of improper and failed leadership. Beijing voiced its opposition against “small” regional hegemons on several occasions. Vietnam was accused of seeking hegemony in Southeast Asia after invading Cambodia in the late 1970s and the early 1980s and India was condemned for “seeking hegemony in South Asia” after its nuclear tests in May 1998.¹²⁵ China has continued to eschew the use of the term hegemony and discussions about the hegemonic stability theory, though it appears to have accommodated the formula of *yi chao duo qiang* - ‘one superpower among many big players’.¹²⁶

Walt modifies this argument by suggesting that second-ranking powers balance against a potentially greater risk rather than a third party’s possession of military capabilities. He argues that, in some instances, they may choose to bandwagon with the opponent, particularly when they are weak and need protection from other regional powers.¹²⁷ Alternatively, they may opt for this strategy for profit in terms of aid, trade and investment benefits.¹²⁸ In his work, Walt identifies four major sources of threats: aggregate power, geographical proximity, offensive capabilities and aggressive intentions.¹²⁹ This thesis argues that states tend to use soft balancing to deal with a state that is perceived as threatening. Walt’s work is therefore useful in providing variables with which to assess patterns of state strategies. The diagram

¹²⁴ Chinese Vice Premier Deng Xiaoping, Speech to a special session of the U.N. General Assembly on 10 April 1974, *Peking Review*, 19 April 1974, p. 7.

¹²⁵ “Multipolarity versus hegemonism: Chinese views of international politics”, School of International Studies, Peking University, [<http://www.sis.pku.edu.cn/faculty/blue/article.aspx?userid=12&classid=4&id=282>].

¹²⁶ Bonnie S. Glaser and Lyle Morris, “Chinese Perceptions of U.S. Decline and Power”, *China Brief*, Jamestown Foundation, vol. IX, issue 14, 9 July 2009, [http://www.jamestown.org/uploads/media/cb_009_21.pdf].

¹²⁷ Stephen M. Walt, *The Origins of Alliances*, Ithaca, NY: Cornell University Press, 1987, pp. 29-30.

¹²⁸ Randall Schweller, “Bandwagoning for Profit: Bringing the Revisionist State Back”, *International Security* 19:1, pp. 72-87 and 99-104.

Stephen M. Walt, *The Origins of Alliances*, Ithaca, NY: Cornell University Press, 1987, pp. 21-26.

(Figure 2, p. 60) illustrates that with an increased threat, states have a tendency to opt for the soft balancing strategy. In the case of balancing against the U.S., states are not worried about a moderate increase in U.S. power; but rather about its intentions. The more aggressive U.S. policies become, the greater the fear it generates in the perception of lesser powers, especially when the superpower operates in their close proximity.

These concepts have been developed and have been tested on cases of both the bipolar and multipolar world order.¹³⁰ However, since the end of the Cold War, states have not visibly committed to either extreme position, hard balancing or bandwagoning, as both strategies incur considerable diplomatic and financial costs. Such positions also entail a high degree of risk with regard to the opposing powers, which could opt for a harsh response. Therefore, states that wish to avoid an obvious choice are left with more covert strategies located close to the middle of the alignment spectrum.

The Alternatives: Soft Bandwagoning and Hedging

A number of scholars propose alternative state strategies that lie between the poles of bandwagoning and balancing. Rosemary Foot used the term ‘soft bandwagoning’¹³¹ to describe the Chinese strategy of dealing with the United States in the post-Cold War era. Foot argues that China views the U.S. as vital to China’s efforts to fulfil its national interests. The U.S. has been the main source of China’s foreign direct investment, aimed primarily at the manufacturing sector. Moreover, the U.S. had absorbed approximately 40% of Chinese exports, with

¹³⁰ Bipolar and multipolar balancing are discussed in Waltz’s *Theory of International Politics*, 1979.

¹³¹ Rosemary Foot, “Chinese Strategies in a US-hegemonic Global order: Accommodating and Hedging”, *International Affairs*, vol. 82, issue 1, 2006, p.88.

bilateral trade becoming ‘unbalanced’ in China’s favor.¹³² In this strategy China’s posture is one of accommodation to the U.S.-dominated order. At the same time China engages with regional multilateral frameworks through ASEAN+1 and the SCO frameworks, where it promotes interests that might be viewed as contradictory to the U.S. norms.

Evelyn Goh and John D. Ciorciari¹³³ have used the term ‘hedging’ to describe this middle strategy,¹³⁴ which is used when states keep their options open and do not commit to one particular alliance. They enjoy the flexibility of multi-vectoral relations with key regional players. It is a strategy particularly used by small and medium powers. These states generally engage with the threatening state politically and/or economically while simultaneously seeking security protection from a third party.¹³⁵ Different writers position hedging on various sides of the spectrum of alignment strategies and they clearly provide varied definitions of this concept.

Goh admits that “hedging is a difficult concept”,¹³⁶ which is understandable in view of her broad conception of hedging. Although she argues that the main goal

¹³² Thomas Lum and Dick K. Nanto, “China’s Trade with the United States and the World”, CRS Report for Congress, Updated 4 January 2007, [<http://www.fas.org/sgp/crs/row/RL31403.pdf>].

¹³³ John D. Ciorciari, *The Limits of Alignment: Southeast Asia and the Great Powers since 1975*, Washington, D.C.: Georgetown University Press, August 2010.

¹³⁴ ‘Neutrality’ or ‘non-alignment’ is not included in Figure 2. Sometimes authors use the term ‘hiding’ (Paul Schroeder, “Historical Reality vs. Neo-realist Theory”, *International Security*, vol.19, no.1, 1994, pp. 117-118). This strategy is very rare and it is quite difficult to maintain. Based on Robert Rothstein’s definition this concept refers primarily to ‘small powers’ (Robert Rothstein, *Alliances and small powers*, New York: Columbia University Press, 1968, pp. 30-31). Although both selected frameworks, the SCO and ASEAN, include small powers, they are not examined individually but rather as part of these organizations. More attention is given to ‘middle powers’. Middle powers prefer ‘hedging’ to strict interpretations of neutrality. Additionally, it is believed that the ‘Stans’ (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, with the partial exception of Turkmenistan) and the members of ASEAN do not have a choice of opting for neutrality when they are surrounded by great regional powers which seek influence in the region.

¹³⁵ India has a history of partially engaging different sides. During the Cold War it chose ‘neutrality’ within the Non-Aligned Movement and did not align with any major player. It, however, sought some military assistance from both the Soviet Union and the USA during the 1962 war with China and the Indo-Pakistani war of 1965. Vojtech Mastny, “The Soviet Union’s Partnership with India”, *Journal of Cold War Studies*, vol.12, no.3, Summer 2010, pp.50-90, [http://www.mitpressjournals.org/doi/pdf/10.1162/JCWS_a_000061]; Shivaji Ganguly, *U.S. Policy Toward South Asia*, Boulder: Westview, 1990, p. 97. In present, India is balancing the U.S. and Russian interests in Central Asia. See: Shalini Sharan, “Central Asia: India’s real strategic depth?” CSIS, 27 February 2012, [<http://csis.org/blog/central-asia-indias-real-strategic-depth>].

¹³⁶ Evelyn Goh, *Meeting the China challenge: the US in Southeast Asian regional security strategies*, Policy Studies 16, East-West Center, Washington DC, 2005, p.3.

for states is not to select “one side at the obvious expense of another”,¹³⁷ in her assessment of Southeast Asian regional security strategies, states choose hedging as “a set of strategies” to deal with U.S.-China dynamics in the region. The way Goh defines the term holds implications for this thesis because her broadening of the definition to include soft balancing within hedging – for Goh hedging incorporates “indirect or soft balancing” – can lead to overall confusion. Besides the case of Southeast Asian nations counterbalancing with the U.S. against China, Goh adds that hedging includes a “complex engagement of China” by socializing it towards agreed norms and rules, and finally “enmeshing a number of regional great powers”.¹³⁸ Goh overstretches the concept by providing too wide a range of engagements, thereby weakening the hypothesis that middle and small states usually hedge.

This thesis agrees with the proposition that the ASEAN members have engaged in hedging when dealing with the great powers in the region in the contemporary era. This was demonstrated during the CSCAP General Conference on the theme of ‘Great powers in the region’, which the author attended, in Jakarta in December 2007. One conclusion made by a representative from Southeast Asia was that the ASEAN member states tend to sit and wait for China and the U.S. to decide on major issues, and then the ASEAN members can act. Hedging is a safe strategy for weaker players, small and middle powers (but it is not necessarily supported by great powers),¹³⁹ as the immediate post-Cold War strategic environment has shown.

¹³⁷ Evelyn Goh, *Meeting the China challenge: the US in Southeast Asian regional security strategies*, Policy Studies 16, East-West Center, Washington DC, 2005, viii.

¹³⁸ Ibid.

¹³⁹ Discussion about ASEAN being tested by China, ‘emerging giant’, and the U.S., ‘established’ power, can be found in Yang Razali, “Will ASEAN’s hedging strategy work?”, *Malaysian Insider*, 14 January 2012, [<http://www.themalaysianinsider.com/sideviews/article/will-aseans-hedging-strategy-work-yang-razali-kassim>]; Robert Sutter, “U.S.-China Competition in Asia: Legacies Help America”, *Asia Pacific Bulletin*, no. 147, East

The strategy of hedging comes from a background of indecision when, in the early 1990s, ASEAN faced a dilemma of how to position itself in the region. The pressing concerns were the uncertainty of U.S. presence and future commitment to the region, and apprehension over a rising China. ASEAN was not fully accommodating to U.S. requests with regard to basing rights (as in the case of the Philippines not renewing the U.S. lease at Subic Bay in 1991), and it was not fully engaging China at that time within its frameworks. Likewise, the ASEAN Regional Forum (ARF) was established in 1994, allowing another path to moderate great power interests, though both the United States and China were sceptical of it at the beginning.

Compared to ASEAN's uncertainty of U.S. commitment and Chinese intentions in the early 1990s, the Central Asian states were in no doubt about their predicament. It was clear to them that their linkages with Washington and Beijing were too weak to provide viable alternatives to Russia's regional dominance. Understandably, they opted for soft bandwagoning in their strategy of dealing with Moscow in the immediate post-Cold War era. However, increasing levels of trade exchanges with China and foreign aid influx from the U.S. led to a shift to hedging, with the aim of not making an obvious choice, and therefore, gaining benefits from all great powers in the region. As exemplified below, gradual socialization within the SCO structure and acceptance of common norms and rules of conduct has facilitated the possibility of choosing the soft balancing strategy when there is an increased level of threat from outside players.

West Center, 1 February 2012, [<http://www.eastwestcenter.org/sites/default/files/private/apb147.pdf>]; possible internal divisions in ASEAN are discussed here: Barbara Mae Dacanay, China, "US standoff to test Asean unity", *gulfnews.com*, 3 December 2012, [<http://gulfnews.com/news/world/philippines/china-us-standoff-to-test-asean-unity-1.1113664>].

Examples of Soft Balancing

In order for this thesis to investigate the strategy of soft balancing since the Cold War, it has sought to examine the soft balancing behavior of middle and great powers through the use of regional institutions, and to provide case studies across two distinct regions and within different systems - multipolar, bipolar and unipolar. The soft balancing strategy has been used by each of the super, middle and great powers, with these states tending towards the use of institutions to consolidate this strategy. By indicating the strategy's history, the current work tackles some critics' arguments that soft balancing is limited to systems displaying unipolarity and is mainly a response to the Bush Doctrine.¹⁴⁰ It also demonstrates that soft balancing can be used by states independently or via the use of multilateral frameworks. As such, the historical foundations of soft balancing need to be outlined before more current examples are examined.

Historical Foundations

It has been argued that soft balancing is mostly brought about within the unipolar system,¹⁴¹ yet there are numerous examples of soft balancing which predate the post-Cold War era. Robert A. Pape briefly discusses the period after the Franco-Prussian war in 1870, in which the unified Germany feared that Austria, Britain and Russia would align against it with France. Otto von Bismark, in his efforts to win over France in the late 19th century, formed a web of diplomatic alliances that excluded France. These, often contradictory, engagements counterbalanced the

¹⁴⁰ Stephen G. Brooks and William C. Wohlforth, "Hard Times for Soft Balancing", *International Security*, vol. 30, no. 1, Summer 2005, pp. 72-108; Stephen G. Brooks and William C. Wohlforth, *World Out of Balance: International Relations and the Challenge of American Primacy*, Princeton, NJ: Princeton University Press, 2008; Keir A. Lieber and Gerard Alexander, "Waiting for Balancing: Why the World Is Not Pushing. Back", *International Security*, vol. 30, no. 1, Summer 2005, p. 109.

¹⁴¹ Robert A. Pape, "Soft Balancing against the United States", *International Security*, vol. 30, issue 1, 2005, p. 37.

enemy without directly confronting it, and side-stepped the use of military persuasion.¹⁴² Josef Joffe believes that Bismarck balanced the French power “à la Britain, but in a totally un-British way”.¹⁴³ Britain has historically favored the maintenance of a large army and navy, but also the use of indirect strategies. Bismarck’s intention was not the aggregation of more power, but rather the isolation of France and therefore a devaluation of its power.

Another example where soft balancing was used in Europe was in the aftermath of World War II, when the United States used its European Recovery Program (the Marshall Plan) to provide monetary assistance to those European countries that decided to accept it. The U.S. gained both economic and political advantages from the program and the aid created strong bonds between the U.S. and Western European economies, primarily through the latter’s purchase of American goods. The fact that the Soviet Union and its allies rejected this form of assistance eventually reinforced the Marshall Plan’s ability to restrain the spread of communism into Western Europe. Additionally the U.S. used a military strategy to contain the Soviet Union by providing a security umbrella for Europe under the North Atlantic Treaty Organization (NATO).

A more recent example can be found in the shifting dynamic of EU-U.S. relations. In an effort to adjust the EU’s position in the transatlantic relationship towards a more symmetrical partnership, and advancement towards multipolarity, the European Union members shifted to ‘de facto soft balancing’ in their economic and

¹⁴² Robert A. Pape, “Soft Balancing against the United States”, *International Security*, vol. 30, issue 1, 2005, p.38.

¹⁴³ Josef Joffe, “‘Bismarck’ or ‘Britain’? Toward an American Grand Strategy after Bipolarity”, *International Security*, vol.19, no.4, Spring 1995, p.107.

security spheres from 1991, though this has been difficult to sustain.¹⁴⁴ European integrationists have aimed for a redefining of the role of U.S. leadership in Europe. This has been accepted by the U.S., but only in so far as it improved burden-sharing within the trans-Atlantic alliance. The development of the European Defense Initiative (EDI), the Common Security and Defence Policy (CSDP), and the later European Defence Agency (from 2004) laid the groundwork to support European foreign policy initiatives, especially in extended peace-keeping roles (the so-called Petersberg tasks).¹⁴⁵ Europe's changing security policies in the post-Cold-War period reinvigorated the EU's efforts to achieve a military capacity partially independent of NATO,¹⁴⁶ though this has not led to sustained defense budgets nor to a large European rapid reaction force. These trends have also had an impact on the politics of major defense contracts. As Oswald goes on to point out, the EU progressed in consolidating its defense planning and procurement with the defense supply companies BAE, EADS, and Thales.¹⁴⁷ An effort to develop a "capacity-driven", "competitive" and "competent" 'European Defence Technological and Industrial Base'¹⁴⁸ has been partially successful. It struggles to achieve the same strength as the U.S. and the rising Asian market, due to an uneven spread of defense industry across the 27 EU member states containing redundant or non-

¹⁴⁴ Franz Oswald, "Soft Balancing Between Friends: Transforming Transatlantic Relations", *Debatte*, vol. 14, no.2, August 2006, p.145.

¹⁴⁵ Angeliki Mitropoulou, "Does the European Union Have a Strategic Culture", *e-International Relations*, 29 March 2011 [<http://www.e-ir.info/2011/03/29/does-the-european-union-have-a-strategic-culture-2/>].

¹⁴⁶ Myrto Hatzigeorgopoulos, "The EU, NATO and Emerging Security Challenges", *European Security Review*, 54, May 2012 [<http://www.isis-europe.eu/sites/default/files/publications-downloads/esr54-EU-NATOemergingchallenges-May%202012%20MH.pdf>]; Ivo H. Daalder, "The End of Atlanticism", *Survival*, vol.45, no. 2, Summer 2003, pp.147-166; James B. Steinberg, "An Elective Partnership: Salvaging Transatlantic Relations", *Survival*, vol.45, no. 2, Summer 2003, pp.113-146.

¹⁴⁷ Franz Oswald 2006, p.155; Information about BAE [<http://www.baesystems.com/home>], EADS [<http://www.eads.com/eads/int/en.html>] and Thales Group [<http://www.thalesgroup.com/>].

¹⁴⁸ "Opening address by High Representative Catherine Ashton at the European Defence Agency (EDA) Annual Conference, Brussels, 31 January 2012", [<http://www.ieee.es/Galerias/fichero/Varios/EDAAnnualConference.pdf>].

competitive facilities.¹⁴⁹ Competition from the U.S. comes from involving EU nations in programs which improve the U.S. Air Force, Navy and Marine Corps warfighting capabilities, such as the F-35 Lightning II Program (also known as Joint Strike Fighter Program).¹⁵⁰ Currently, NATO member states clash over European arms sales to Russia (France, Germany, Italy) which the U.S. believe could undermine the transatlantic security.¹⁵¹

21st Century Soft Balancing Behaviors

In South America, the use of soft balancing has been widespread.¹⁵² Brazil has long been engaged in a soft balancing strategy through multiple multilateral frameworks; the India, Brazil, South Africa (IBSA) Dialogue Forum (the Troika) launched in June 2003 is an example. These emerging powers consolidated their co-operation because of their perceived sidelining by the international community and their view that the U.S., the sole superpower, is not representing them accordingly at the global level. The Troika lobbied for a stronger role for developing nations in the existing world system, calling for the reform of the United Nations Security Council.¹⁵³ The IBSA countries promoted themselves as

¹⁴⁹ “Development of a European Defence Technological and Industrial Base”, European Commission: Enterprise and Industries, 2009, [http://ec.europa.eu/enterprise/sectors/defence/files/edem_final_report_en.pdf]

¹⁵⁰ “The F-35 Lightning II Program”, [Access via <http://www.jsf.mil/index.htm>], Jeremiah Gertler, “F-35 Joint Strike Fighter (JSF) Program”, Congressional Report Service, 16 February 2012, [<http://www.fas.org/sgp/crs/weapons/RL30563.pdf>]

¹⁵¹ “NATO Concerned About Weapons Sales to Russia: Report”, *Agence France-Presse*, 10 May 2012, [<http://www.defensenews.com/article/20120510/DEFREG02/305100003/NATO-Concerned-About-Weapons-Sales-Russia-Report>]; Richard F. Grimmet and Paul K. Kerr, “Conventional Arms Transfers to Developing Nations, 2004-2011”, Congressional Research Service, 24 August 2012, pp. 11-13, [<http://www.fas.org/sgp/crs/weapons/R42678.pdf>]

¹⁵² Venezuela’s Foreign policy is a particular case in point where it is argued that President Hugo Chávez has used “social power diplomacy”, based on investment in the poor, to challenge the United States, Gregory Wilpert, *Changing Venezuela: The History and Policies of the Chavez Government*, London: Verso, 2007; Mark Eric Williams, “The New Balancing Act: International Relations Theory and Venezuela’s ‘Soft Balancing’ Foreign Policy”, “in *The Revolutions in Venezuela*, ed. Jonathan Eastwood and Thomas Ponniah, Durham, NC: Duke University Press, 2009; Javier Corrales, “Using Social Power to Balance Soft Power: Venezuela’s Foreign Policy”, *The Washington Quarterly* 32:4, October 2009, pp. 97-114.

¹⁵³ The Brasilia Declaration, 6 June 2003, [<http://www.itamaraty.gov.br/temas-mais-informacoes/temas-mais-informacoes/saiba-mais-ibas/documentos-emitidos-pelos-chefes-de-estado-e-de-brasilia-declaration/view>].

multiethnic and multicultural democracies with the status of middle powers.¹⁵⁴ It is argued that these powers would not choose to impose harsh measures on the U.S., but can engage in soft balancing strategies. Moreover, there is evidence of soft balancing through territorial denial in the case of Brazil, which refused a request from U.S. Secretary Madeleine Albright to utilize Brazilian aircraft bases in the Amazon region. Neither India nor South Africa allows the Pentagon to base its military on their soil.¹⁵⁵

Further, Brazil has also been active within the BRIC (Brazil, Russia, India and China) group (which became BRICS with the admission of South Africa in 2011). In a Joint statement of the BRIC countries' leaders at the first summit in Yekaterinburg on 16 June 2009, the four BRIC nations called for a reformed economic and financial architecture and for a "more democratic and just multipolar world order based on the rule of international law, equality, mutual respect, cooperation, coordinated action and collective decision-making of all states".¹⁵⁶ Andrew Hurrell suggests that these states have reacted to U.S. hegemony and have moved towards soft or constrained balancing. Critics should not underestimate the role of this strategy in shaping the individual policies of these countries as their common understanding and actions contribute to a shifting of power against the U.S.¹⁵⁷

¹⁵⁴ IBSA Trilateral Official Website, About IBSA, "The India-Brazil-South Africa Dialogue Forum", [<http://www.ibsa-trilateral.org/>].

¹⁵⁵ Daniel Flesmes, "Emerging Middle Powers' Soft Balancing Strategy: State and Perspectives of the IBSA Dialogue Forum", German Institute of Global and Area Studies Working Paper, no.57, August 2007, [<http://www.isn.ethz.ch/isn/Digital-Library/Publications/Detail/?ots591=0c54e3b3-1e9c-be1e-2c24-a6a8c7060233&lng=en&id=471531>].

¹⁵⁶ Joint Statement of the BRIC Countries' Leaders, Yekaterinburg, 16 June 2009, [<http://archive.kremlin.ru/eng/text/docs/2009/06/217963.shtml>].

¹⁵⁷ Andrew Hurrell, "Hegemony, liberalism and global order: what space for would-be great powers?" *International Affairs* 82:1, 2006, pp.1-19. Mette Skak has recently tested the BRICs soft balancing trend against Robert Pape's hypothesis and found that there are elements of soft balancing in the policy considerations of all four BRICs, and they are united in a common strategy of soft balancing. Mette Skak, "The BRIC Powers as Actors in World Affairs. Soft Balancing or...?" IPSA-ECPR Joint Conference: Whatever

Soft balancing can also be seen in the Asia-Pacific, where countries have long been dealing with the so-called “China factor”. William T. Tow explicitly names the triangular security politics of the U.S., Australia and Japan as “symbolic soft balancing”.¹⁵⁸ It is a collaboration reflected in the Trilateral Security Dialogue (TSD) which began at the vice-ministerial level in 2002 and was eventually upgraded as a framework to the level of foreign ministers. From the outset, there was an emphasis on the ‘non-threat-centric’ nature of the cooperation, though a more sceptical reading of the situation would suggest that this dialogue was a response to growing Chinese military power. In any case, the adoption by Japan and Australia of ‘The Joint Security Declaration’ needs to be considered in light of Japan being restrained by Article 9 of its Constitution. This diminishes the impact of any joint security agreement that involves Japan. Consequently, the U.S. presence is vital in dealing with the growing influence of China. Before departing for the trilateral talks in 2006, U.S. Secretary of State Condoleezza Rice stated:

I think all of us in the region, particularly those who are longstanding allies, have a joint responsibility and obligation to try and produce conditions in which the rise of China will be a positive force in international politics, not a negative force.¹⁵⁹

During a follow-up visit to Beijing, Australia’s former Foreign Minister Alexander Downer softened the message by reassuring his Chinese counterparts that the security co-operation with Japan was not directed against a third party. His statement, however, did not convince some Chinese analysts who referred to this trilateral cooperation as “a US-led NATO-like organization in Asia, which will

happened to North-South? University of Sao Paulo, 16-19 February 2011, [<http://www.saopaulo2011.ipisa.org/sites/default/files/papers/paper-528.pdf>].

¹⁵⁸ William T. Tow, “Asia’s Competitive “Strategic Geometries”: The Australian Perspective”, *Contemporary Southeast Asia*, vol.30, no.1, 2008, p.37.

¹⁵⁹ Jane Perlez, “China’s Role Emerges as Major Issue for Southeast Asia”, *New York Times*, 14 March 2006, [<http://www.nytimes.com/2006/03/14/international/asia/14rice.html?adxnnl=1&adxnnlx=1352910640-emiODsF1mwKgH1SkJCq/A&r=0>].

clearly grow to be the biggest potential threat to China's regional security environment".¹⁶⁰ Australia's Prime Minister Julia Gillard tried to reduce these threat perceptions by suggesting a boost in defense cooperation between Australia and China during her visit to North Asia in April 2011, though this reversal of perceptions was hard to sustain with the later agreement for the basing of U.S. marines in Darwin as part of a wider 'Asian Pivot'.¹⁶¹

China is also pro-active in Australia's neighborhood, through increased economic and diplomatic presence in the South Pacific. It uses the 'politics of aid' to sway local governments to strengthen their ties with Beijing rather than Taipei, through the commonly termed, 'chequebook diplomacy'.¹⁶² Additionally, China challenges the influence of traditional players, notably Australia and New Zealand. This soft balancing strategy is suitable for this area, due to the size of these countries, distances between them and the lack of a suitable regional framework which could facilitate 'hard balancing' vis-à-vis external players.¹⁶³

Defining soft balancing in the context of existing theory

Even among the key proponents of the concept of soft balancing, T.V. Paul, Robert A. Pape and Stephen Walt, there is no general consensus on a definition of the actual term and it is a concept which has been used rather loosely.

¹⁶⁰ "Downer: Security pact does not target China", *People's Daily Online*, 6 April 2007, [http://english.peopledaily.com.cn/200704/06/eng20070406_364174.html].

¹⁶¹ Sabra Lane, "PM flags defence cooperation with China", *ABC News*, [<http://www.abc.net.au/news/2011-04-28/pm-flags-defence-cooperation-with-china/2695844>]; Mark Dodd, "China flags closer defence cooperation", *The Australian*, 27 May 2011, [<http://www.theaustralian.com.au/national-affairs/china-flags-closer-defence-cooperation/story-fn59niix-12260643044001>].

¹⁶² Tamara Renee Shie, "Rising Chinese Influence in the South Pacific: Beijing's 'Island Fever'", *Asian Survey*, vol. 47, no. 2, 2002, pp. 307-326; Joel Atkinson, "Vanuatu in Australia-China-Taiwan Relations", *Australian Journal of International Affairs*, vol. 61, no. 3, 2007, pp. 351-66.

¹⁶³ Marc Lanteigne, "Water dragon? China, power shifts and soft balancing in the South Pacific", *Political Science*, vol. 64, no. 1, June 2012, pp. 21-38. The Pacific Islands Forum supports important economic, governance and cultural agenda, e.g, human security, law enforcement and surveillance issues via *The Pacific Plan* (from 2005), but has limited strategic and military functions. See further The Pacific Island Forum Secretariat *The Pacific Plan for Strengthening Regional Cooperation and Integration*, Revised, November 2007 [http://www.forumsec.org/UserFiles/File/Pacific_Plan_Nov_2007_version.pdf].

However, Paul captures the concept of soft balancing well when he defines it as involving:

. . . tacit balancing short of formal alliances. It occurs when states generally develop ententes or limited security understandings with one another to balance a potentially threatening state or a rising power. Soft balancing is often based on a limited arms build-up, ad hoc cooperative exercises, or collaboration in regional or international institutions; these policies may be converted to open, hard-balancing strategies if and when security competition becomes intense and the powerful state becomes threatening.¹⁶⁴

Paul insists that in order to gain better understanding of today's balancing strategies, it is important to describe various forms of balance of power behavior, not just military build-ups or alliance formation.¹⁶⁵ In his definition, Paul goes beyond the traditional view of state balancing strategy to identify balancing behavior that takes place when hard balancing is too risky or costly. He believes that we need to look at alternative categories of security behavior when states use tacit means and avoid an open build-up of arms, and sees occurrences of soft balancing at both systematic (global) and subsystematic (regional) levels. It is this latter level of analysis, and more specifically the soft balancing of states in the Indo-Asia-Pacific region, that is of interest to this thesis. The primary goal of such regional balancing is to make sure that the great powers involved in the region do not destabilize the status quo by undertaking revisionist or aggressive policies toward their neighbors.

Another proponent of soft balancing, Robert A. Pape, explains four main non-military mechanisms that enable the strategy of soft balancing: refusal to use territory that is vital for the operations of the superior state's ground, air or naval

¹⁶⁴ T. V. Paul, "Introduction", in *Balance of Power: Theory and Practice in the 21st Century*, ed. T.V. Paul, James J. Wirtz and Michel Fortmann, Stanford, CA: Stanford University Press, 2004, p. 3.

¹⁶⁵ Ibid.

forces; entangling diplomacy by which states undermine the plans and policies of the superior state, especially using international institutions; economic statecraft by strengthening the regional economic blocs and diverting trade from non-members; and finally, coordination of mutual commitment to resist policies of the superior or threatening state. What is, in effect, a collective disposition, is built over time through repeated participation in non-military mechanisms and increasing trust among the members of the soft-balancing coalition. The ambition of a coalition that resolves to soft balance is to attract more states so as to weaken the operational capability of the superior state.¹⁶⁶ Pape also clarifies a crucial distinction between ‘soft power’ and ‘soft balancing’: while the general understanding is that soft power equals soft balancing, soft power is actually a soft-balancing asset. If a state’s use of cultural, economic, political and social resources is viewed favorably by other governments and their public, then it might be in a particularly favorable position to advance a soft balancing coalition against a third party.¹⁶⁷

Walt expands on these defining attributes of soft balancing by applying the soft balancing strategy to the prevailing U.S.-dominated world order. He claims that this strategy is “the conscious coordination of diplomatic action in order to obtain outcomes contrary to U.S. preferences – outcomes that could not be gained if the

¹⁶⁶ Robert A. Pape, “Soft Balancing: How the World will Respond to US Preventive War on Iraq”, Oak Park Coalition for Truth and Justice, 20 January 2003, [<http://www.opctj.org/articles/robert-a-pape-university-of-chicago-02-21-2003-004443.html>]; Further discussion about soft balancing leads to assessing the dynamics of soft balancing alliance, and whether the stronger member states use this collaboration to soft balance their partners, by influencing the allies’s arms sales, military doctrines or joining alliance with third parties. Paul W. Schroeder writes about ‘pacts of restraint’ in his “Alliances, 1815-1945: Weapons of Power and Tools of Management,” in *Historical Dimensions of National Security Problems*, ed. Klaus Knorr, Lawrence: University of Kansas Press, 1975, pp. 227-263. Schroeder suggested that publicly the motive behind these alliances was to counter an external threat; however, the real motive would be to control partners in the alliance. Jeremy Pressman provided 18 cases of alliance formation and restraint in his *Warring Friends: Alliance Restraint in International Politics*, Ithaca: Cornell University Press, 2008. Pressman argues against balance of power and balance of threat theorists by critiquing their inability to explain the success of weaker alliance partners to avoid restraint from the stronger partner. This can be applicable to ASEAN members and their ability to ‘restrain’ China into its networks by embracing the ASEAN way, and ASEAN states requiring the signature of the Treaty of Amity and Cooperation, especially from the states that wish to join the East Asia Summit.

¹⁶⁷ Robert A. Pape, “Soft Balancing against the United States”, *International Security*, vol. 30, issue 1, 2005, p. 17.

balancers did not give each other some degree of mutual support”.¹⁶⁸ This is performed by opposing current policies in the hope of obtaining more plausible results in the future; and even preparing the conditions for a more ambitious counter-hegemonic coalition.

Critics of soft balancing contend that broadening the definition of balancing leads to conceptual stretching,¹⁶⁹ and that in fact the term is too similar to normal diplomatic friction. Soft balancing’s proponents, they say, do not provide sufficient evidence that would distinguish these terms accordingly, thus any “discussion of soft balancing is much ado about nothing”.¹⁷⁰ Stephen G. Brooks and William C. Wohlforth point out that the primary cases of soft balancing are relatively recent, and that therefore, it might be impossible to find enough evidence. Moreover, they stress that those countries which are supposedly soft balancing, such as China and Russia, are well known for being non-transparent and that their public opinion is almost non-existent – though admittedly their critique was before the Arab Spring which demonstrated the power of public opinion in authoritarian states through the social media. Brooks and Wohlforth further argue that soft balancing’s proponents are so focused on future developments that they fail to explain the contemporary significance of the phenomena¹⁷¹ and suggest that alternative explanations should be assessed properly before one can convince the scholarly community that soft balancing is a coherent and established theoretical concept.¹⁷² It should be noted

¹⁶⁸ Stephen M. Walt, *Taming American Power: The Global Response to U.S. Primacy*, W. W. Norton; First Edition, September 2005, p.126.

¹⁶⁹ Giovanni Sartori, “Concept misformation in comparative politics”, *The American Political Science Review* 64:4, December 1970, pp. 1033-53.

¹⁷⁰ Keir A. Lieber and Gerard Alexander, “Waiting for Balancing: Why the World Is Not Pushing. Back”, *International Security*, vol. 30, no. 1, Summer 2005, p. 109.

¹⁷¹ Stephen G. Brooks and William C. Wohlforth, “Hard Times for Soft Balancing”, *International Security*, vol. 30, no. 1, Summer 2005, pp. 72-108.

¹⁷² Brooks and Wohlforth wrote *World Out of Balance: International Relations and the Challenge of American Primacy*, Princeton, NJ: Princeton University Press, 2008, in which they discuss alternatives to challenging the

that even Brooks and Wohlforth admit that of the primary cases of soft balancing against U.S. unilateral policies, opposition to the Iraq war is a plausible example. They acknowledge that U.S. unilateralism contributed to a soft balancing action when Germany, once the adamant ally of Washington, opposed the U.S. invasion of Iraq. This ‘pacifist’ position influenced the resistance of the other states and the Germans received additional support from the French, who argued against the U.S. policy on procedural terms, by demanding a multilateral approach through the UNSC.¹⁷³

The issue of limited external validity has been addressed in Yuen Foong Khong’s chapter, ‘Coping with Strategic Uncertainty: Institutions and Soft Balancing in ASEAN’s Post-Cold War Strategy’.¹⁷⁴ While primarily offering a narrative of security insecurities of ASEAN5 in the early 1990s, Khong puts forward two strategies of how the member states deal with these insecurities, including the fear of China revising regional rules of the game; institution-building and soft balancing. Notable is Khong’s dismissal of the occurrence of a balancing strategy against the stronger power, the U.S., and that in this case, the weaker China is viewed as a threat. Although Malaysia and the Philippines share some ambivalence towards China’s intentions with regard to territorial claims to the South China Sea, they encourage the use of multilateral frameworks to encourage China to behave more responsibly. Khong indicates some evidence of soft balancing, especially in the use of bilateral memorandums of understanding (MOU) and visiting forces agreements between the U.S. and individual states, such as the MOU between Singapore and

US primacy. Their chapter on soft balancing is similar to the International Security article “Hard Times for Soft Balancing”.

¹⁷³ Stephen G. Brooks and William C. Wohlforth, “International Relations Theory and the Case against Unilateralism”, *Perspectives on Politics*, vol. 3, no. 3, September 2005, pp. 509-524.

¹⁷⁴ Yuen Foong Khong, “Coping with Strategic Uncertainty: Institutions and Soft Balancing in ASEAN’s Post-Cold War Strategy”, in *Rethinking Security in East Asia*, ed. Peter Katzenstein, Allen Carlson and JJ Suh, Stanford, CA: Stanford University Press, 2004, pp. 172-208.

the U.S. from November 1990 which allowed the U.S. to use the facilities in the old British wharves at Sembawang. However, he provides no in-depth discussion of how much these agreements contribute to restraining China. It is unclear what definition of soft balancing Khong has in mind; for instance, he separates the use of institutions and soft balancing, despite the general agreement that institutions are one of the tools of soft balancing strategy.

Moreover, the influence of an anti-China political culture under a generation of strong leaders in the ASEAN5 helps explain the uneasiness concerning the rise of China. Not only was China so recently an ideological opponent whose political influence among illegal local communist parties was feared politically, but the role of the Chinese diaspora in Southeast Asia economies was also a source of apprehension. On the other hand, ASEAN5 leaders had no interest in giving the United States a free hand in their region of vigorous nation-building. It will be recalled that before ASEAN was formed the U.S.-sponsored Southeast Asia Treaty Organization (SEATO) failed for this very reason.

Kai He and Huiyun Feng address the methodological deficiencies of the soft balancing concept in 'If Not Soft Balancing, Then What? Reconsidering Soft Balancing and U.S. Policy Toward China'.¹⁷⁵ They note that "the higher the power disparity and economic dependence, the more likely a state chooses soft balancing to pursue its security"¹⁷⁶ and assess the post-Cold War U.S. policy toward China. He and Feng redefine the concept of balancing by dividing it into military and non-military hard balancing, in order to enhance a state's own power vis-à-vis the opponents; and military and non-military soft balancing, to weaken the opponent's

¹⁷⁵ Kai He and Huiyun Feng, "If Not Soft Balancing, Then What? Reconsidering Soft Balancing and U.S. Policy Toward China", *Security Studies*, vol. 17, no.2, April 2008.

¹⁷⁶ *Ibid.*, p.363.

relative power and gain security. Under the umbrella of military soft balancing, they name “arms sales to the ‘enemy of the enemy’” and examples of the U.S.-Taiwan policy. Although the U.S. declared in the 1982 Joint Communiqué it would not provide Taiwan with advanced fighter aircraft, it did in fact sell 150 of such aircraft, the F-16A/B, to Taiwan a decade later in 1992. China responded by terminating its participation in the Arms Control talks in the Middle East and by selling M-11 short-range ballistic missiles to Pakistan in November 1992.¹⁷⁷ In their conclusions, He and Feng acknowledge that although hard balancing against the U.S. has not taken place and that soft-balancing actions did not stop the U.S. from initiating war on Iraq, several states have been united in their refusal to follow the U.S. and have thus curtailed to an extent its freedom of action.

He and Feng successfully enhance the understanding of soft balancing, and apply the concept in more detail to an example of U.S. policy toward China. Their typology of state balancing strategies needs more clarification, however. While strategic technology transfers and economic aid are part of their description of non-military hard balancing, these can also be viewed as soft balancing tools. Economic sanctions and embargos can, on the other hand, be part of non-military hard balancing if conducted openly. Another significant element of soft balancing is access to energy resources. The pipeline politics in the Caucasus and wider Central Asia constitutes a ‘New Great Game’ in which major actors (including Russia, China, India, the EU, Japan and the U.S.) seek to advance their geopolitical interests using a range of strategies including hedging, building regional cooperation frameworks, and investment flows in order secure early access to

¹⁷⁷ Shirley A. Kan, Taiwan: Major U.S. Arms Sales Since 1990, CRS Report for Congress, Washington, D.C., 24 February 2011, p.20,[<http://www.fas.org/sgp/crs/weapons/RL30957.pdf>].

energy resources.¹⁷⁸ As stated previously, Chinese oil equity investments have been part of China's soft balancing strategy.

Kai He further redefines the concept of balancing in his book, *Institutional Balancing in the Asia Pacific: Economic interdependence and China's Rise*, where he critiques the ability of a single theory to explain the reality of security relations in the Asia Pacific and the functions of institutions there. He proposes a new institutional theory or institutional realism, by linking the neorealist balance of power with neoliberal interdependence,¹⁷⁹ from which position he stipulates that the high level of economic interdependence between states leads to "institutional balancing" rather than the traditional hard balancing which occurs when states fear or feel pressure in the international system. This balancing takes place either via inclusive or exclusive balancing. In the former instance, the target state is bound by the norms of this institution, while in the latter case, the members of the institution aim to keep a target state out and resist the outsider by harmonizing their own policies in the economic and political spheres. When this theory is applied to the current U.S.-dominated system, He argues, the "only option for other states to counter the pressure from the hegemon is to conduct exclusive balancing through forming multilateral institutions without the hegemon".¹⁸⁰

What He has done in his study is to focus on one soft balancing mechanism and name this balancing behavior 'institutional balancing'. It should be noted that Paul,

¹⁷⁸ Lutz C. Kleveman, *The New Great Game: Blood and Oil in Central Asia*, New York and London: Atlantic Books, 2003; Matthew Edwards, "The New Great Game and the new great gamers: disciplines of Kipling and Mackinder", *Central Asian Survey* 22:1, 2003, pp. 83-102; Brock F. Tessman and Wojtek Wolfe. From Soft Balancing to Strategic Hedging: The Case of Chinese Equity Oil Investment. Paper presenter at the annual meeting of the "Theory vs. Policy Connecting Scholars and Practioners", New Orleans: International Studies Association, 17 February 2010.

[http://www.allacademic.com/meta/p_mla_apa_research_citation/4/1/7/0/5/pages417059/p417059-1.php]; Richard Auty and Indra Soysa (ed.), *Energy, Wealth and Governance in the Caucasus and Central Asia*, London: Routledge, 2005; Ahmed Rashid, *Taliban: Militant Islam, Oil and Fundamentalism in Central Asia*, 2nd ed., New Haven: Yale University Press, 2010.

¹⁷⁹ Kai He, *Institutional Balancing in the Asia Pacific: Economic interdependence and China's rise*, London: Rutledge, 2009, pp. 8-9.

¹⁸⁰ Ibid., p.12.

in his soft balancing case studies, discusses cases of inclusive balancing: with the UN and the resistance to supporting the U.S.-backed resolution to authorize the use of force in Iraq in 2002. While this thesis acknowledges He's contribution to a broadening of the balancing concept – and his work on China and ASEAN's institutional balancing will be further analyzed in the thesis – this author remains committed to the soft balancing terminology and will derive the definition to be employed here from the works of T. V. Paul, Robert A. Pape and Stephen Walt.

Conclusion

The review of selected literature on soft balancing strategy reveals that it is a strategy mainly used in three international relations scenarios: inter-state relations (for example, the U.S. soft balancing towards China and vice versa); triangular partnerships (as in the U.S., Australia and Japan soft balancing towards China) and between regional organizations and states (exemplified by ASEAN soft balancing towards China, the European Union soft balancing towards the U.S. and BRICS soft balancing towards the U.S.).

Second-ranking powers prefer coordination of activities and policies on a smaller scale and employ a less risky soft balancing strategy, often at the regional level. The primary driver behind soft balancing is the *shared understanding of threats*. These threats can come from cultural, economic, political or military presence, or influence or pressures from an external state or organization. Until now, the main studies discussing the use of the soft-balancing strategy focused on tacit balancing of individual states towards another state or a group of states towards a single state. Further research is required into soft balancing acts between two regional organizations. This thesis focuses on soft balancing *from organizations towards*

states in specific subregions (Central and Southeast Asia) of the Indo-Asia-Pacific.

In both cases, the soft balancing coalition acts towards an external player, whose presence in the region is viewed as ‘threatening’.

CHAPTER FOUR: ASEAN's Soft Balancing Strategy

It will be recalled from Chapter One that the Association of Southeast Asian Nations (ASEAN) is posited as engaging in a 'network regionalism' to the benefit of weaker or rising states. Thus in examining ASEAN as a case study for soft balancing, its activities should be viewed, in the first instance, in the context of an evolving network regionalism with long-term plans. The member states of both ASEAN and the Shanghai Cooperation Organization (the other case study of soft balancing by a regional organization, examined in chapter five) participate in the Asia Cooperation Dialogue (ACD), inaugurated in 2002, which is a continent-wide forum aiming to create 'Asian Community', without duplicating existing structures.¹⁸¹ The Russian Ministry of Foreign Affairs (MFA) referred to the ACD as a 'bridge' between Asian organizations and associations, with the goal of creating multilateral dialogue partnerships in 'the spirit of network diplomacy'.¹⁸²

Moreover, ASEAN has been driving the emerging Indo-Asian Core of Network Dialogue (Figure 1) by facilitating open discussions and coordinating responses towards external players and perceived threats. By contributing to the security dialogue, ASEAN-endorsed norms have proven to be relevant for the wider Indo-Asia-Pacific and have attracted transregional (Central and South Asian) declarations of collaboration. With a greater engagement from India, the prospect of deeper discussions with the South Asian Association of Regional Cooperation

¹⁸¹ The first ACD Summit took place in Kuwait on 15-17 October 2012. The official website of the ACD is [<http://www.acddialogue.com/about/index.php>].

¹⁸² See: "Comment of the Information and Press Department of Ministry of Foreign Affairs of the Russian Federation in connection with the participation of Deputy Minister of Foreign Affairs of Russia Igor V. Morgulov in the summit of member countries of Asia Cooperation Dialogue, Kuwait City, October 15-17, 2012", The MFA of the Russian Federation, 12 October 2012, [http://www.mid.ru/brp_4.nsf/0/121FDC61175CEC6544257AA100281F73].

(SAARC) is possible.¹⁸³ This regional cooperative engagement allowed great powers, Russia and China, to participate in the ASEAN Regional Forum (ARF) and create partnerships by enhancing trust and confidence-building measures, with the goal of strengthening ‘conflict prevention’.

In the preceding chapters, this thesis has sought to examine suitable theoretical approaches for assessing the soft-balancing behavior of ASEAN member states, and determined that special attention had to be made to historical variables such as mutual mistrust between ASEAN member states and the re-emerging China. These factors have reinforced perceptions of China as a threat, and contributed to soft balancing in Southeast Asia. ASEAN responded to the reduction of U.S. forces in the region by a proactive strategy of creating and collaborating with various Track I and Track II multilateral frameworks, which they have used to constrain and moderate the influence of China.

The Association has functioned in its current format (as the ASEAN 10) since the admission of its last full member, Cambodia, in 1999.¹⁸⁴ The acceptance of less developed states in ASEAN has led to a discussion about a ‘two-tier ASEAN’, with the superior position held by the older, more developed ASEAN6.¹⁸⁵ This comprises the five founding member states of ASEAN – Indonesia, Malaysia, the Philippines, Singapore, Thailand - and Brunei, which joined the grouping in 1984. ASEAN6 itself reveals wealth division, with Singapore’s per capita GDP much

¹⁸³ Currently mainly China cooperates with the SAARC, as an observer. The Chinese envoy to Nepal has been designated to become China’s ambassador to SAARC, which has its headquarters in Kathmandu, Nepal. “Chinese envoy to Nepal designated ambassador to SAARC”, *Xinhua*, 10 August 2012, [\[http://www.globaltimes.cn/content/726231.shtml\]](http://www.globaltimes.cn/content/726231.shtml).

¹⁸⁴ Vietnam (1995), Laos and Burma (1997) and Cambodia (1999), collectively in this thesis refer to as ‘ASEAN4’.

¹⁸⁵ Rodolfo C. Severino, *Southeast Asia in Search of an ASEAN Community: Insights from the former ASEAN Secretary-General*, Singapore: ISEAS, 2006, p. 67. Rodolfo C. Severino believes that a ‘two-tier Southeast Asia’ with countries outside of ASEAN would be worse off, with divisions and competition being formed between ASEAN6 and ASEAN4; views voiced during a personal discussion at the ISEAS in Singapore on 5 December 2007.

higher when compared to Indonesia or the Philippines.¹⁸⁶ This work recognizes internal divisions that at times have split ASEAN and have made progress in some areas slow and protracted, e.g. slow evolution of the ASEAN Political-Security Community with the ASEAN Concord II system since 2003 and the later, tentative development of the ASEAN Charter.¹⁸⁷ However, as will be seen below, areas of convergence have allowed ASEAN to ‘soft balance’ a rising China in the post-Cold War era. As this chapter will demonstrate, ASEAN employed soft balancing to institutionalize its relations with Beijing in order to constrain the ascent of China. This was achieved through China’s participation in ASEAN-led multilateral frameworks and by Beijing’s acceptance of ASEAN’s norms of behavior via the signing of the Treaty of Amity and Cooperation and other declarations (see below). ‘Non-interference in the internal affairs’ and ‘non-use of force’ in particular stand out as mutually shared principles. China agreed to these norms as they are in line with China’s ‘Five Principles of Peaceful Coexistence’, noted in Chapter Two.

This chapter, whose purpose is to explain the dynamics of regional cooperation between the ASEAN6 and China, is divided into four main parts. The first part introduces the strategic architecture of post-Cold War Southeast Asia. This discussion should be viewed in the context of the heightened level of insecurity among ASEAN6, which was influenced by an announced phased reduction of American forces in the region. The second part discusses relations between ASEAN6 and China, with the main focus on the so-called ‘China threat theory’. In

¹⁸⁶ GDP per capita figures 1990-2007 available in ‘Table M: Economy and inequality’, Human Development Report 2009: Overcoming barriers: Human mobility and development, United Nations Development Program, Houndmills, Basingstoke: Palgrave Macmillan, 2009, pp. 195-198, [http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf].

¹⁸⁷ Simon W. Sheldon, “ASEAN and Multilateralism: The Long, Bumpy Road to Community”, *Contemporary Southeast Asia*, vol. 30, no. 2, 2008, pp. 264-292; ASEAN Secretariat “ASEAN Political-Security Community Blueprint”, *Singapore Year Book of International Law*, vol. 12, 2008, pp. 281-296.

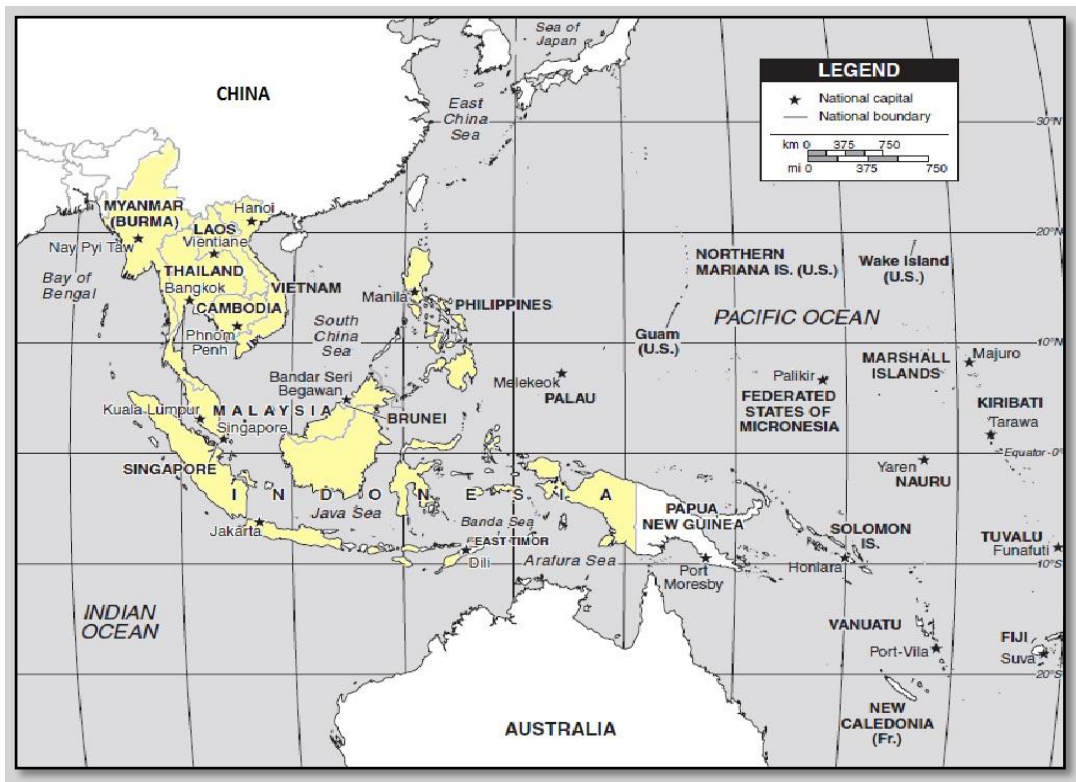
the third part, strategies employed to counter the perceived China threat are analyzed. The fourth and final part of this chapter examines limitations to the soft-balancing strategy. It explains this through the notable case of the South China Sea dispute.

Strategic Complexity in Southeast Asia

Similar to Indonesia's national motto of 'unity in diversity', Southeast Asia has embraced a level of regional political unity that straddles cultural, political and developmental differences. Despite unresolved issues between the member states,¹⁸⁸ and lingering mutual suspicions, ASEAN6 shares a political culture of informal mutual engagement which privileges state sovereignty and territorial integrity through the norm of non-interference. When taking into account the role of external players that are expected to also respect the code of non-interference, a diverse region also becomes a strategically complex one: this vast geopolitical domain stretches from mainland Southeast Asia where three 'Indochina Wars' were fought (first involving the French colonial power which was defeated in 1954, then the United States that became involved in the infamous Vietnam War of the 1960s to early 1970s, and finally China at the end of the 1970s), down the Malay peninsula and beyond the busy Malacca Strait that is vital to the region's trade into archipelagic Southeast Asia. During the Cold War ASEAN sought to promote the region as a 'zone of peace, freedom and neutrality' (ZOPFAN) but in reality it relied upon American strategic influence.

¹⁸⁸ Details and management of 'intra-ASEAN relations' can be found in Amitav Acharya, Chapter 5 "Managing intra-ASEAN relations", in *Constructing a Security Community in Southeast Asia ASEAN and the problem of regional order*, 2nd ed., New York, NY: Routledge, 2009, pp.148-191; N.Ganesan and Ramses Amer (eds.), *International Relations in Southeast Asia: Between Bilateralism and Multilateralism*, Singapore: The Institute of Southeast Asian Studies, 2010.

Figure 3: Map of member states of the Association of Southeast Asian Nations



Source: Education Place, [http://www.eduplace.com/ss/maps/pdf/se_asia_pac_pol.pdf], adapted by Alica Kizeková

Post-Cold War Southeast Asia was characterized by much insecurity when the U.S. decided to reduce its forces in the region. Southeast Asian nations questioned U.S. commitment when reports appeared outlining a U.S. troops reduction from approximately 135,000 in 1990 to just over 100,000 in the Asia-Pacific over a ten-year period (1990 to 2000).¹⁸⁹ The reorientation of the U.S. military and China's economic and military growth affected the regional balance of power; and as a result, this change in regional dynamics added complexity to China-Southeast Asian security relations.

Singapore's Prime Minister Goh Chok Tong voiced his concern when he said: "If the rapprochement between the superpowers comes through...it will leave to

¹⁸⁹ Douglas Stuart and William Tow, *A U.S. Strategy for the Asia Pacific: Building a Multipolar Balance-of-Power System in Asia*, Adelphi Paper, No. 299, London: The International Institute for Strategic Studies, 1995, pp. 8-9. Figures from the U.S. Department of Defense, *A Strategic Framework for the Asian Pacific Rim*, Washington DC: USGPO, 1992.

China, India and Japan to contest for the leadership of the region.”¹⁹⁰ Fearing which great power would fill this 'vacuum' led ASEAN member states to pursue a proactive strategy of creating a network of dialogue, in which ASEAN would play the central role and would bring all parties together. Discussions about regional security order would be underpinned by ASEAN regional norms.

China, the chief catalyst in this regional balance of power, was initially facing economic and political problems as a consequence of a temporary isolation in the light of the 1989 Tiananmen Square crackdown.¹⁹¹ The ruling Chinese Communist Party's successful crackdown on the pro-democracy demonstration in Beijing contrasted with the wave of collapsing communist regimes in Central and Eastern Europe. What was a question of regime survival for China had been denounced as a barbarous act – the ‘Tiananmen Massacre’ – by many in the outside world. Unlike U.S. and Western criticisms of China's mismanagement of the protest in Beijing,¹⁹² ASEAN nations did not respond as negatively. Indonesia restored diplomatic relations with China,¹⁹³ an example followed by Singapore (August 1990) and Brunei (1991). In this instance ASEAN member states acted in accordance with ASEAN's principles of non-interference in domestic affairs by not engaging in discussions about the incident. They also positively responded to China's gesture of renouncing its representation of overseas Chinese and respecting their local

¹⁹⁰ Cited in Amitav Acharya, *A New Regional Order in South-East Asia: ASEAN in the Post-Cold War Era*, Adelphi Paper, no. 279, London: The International Institute for Strategic Studies, 1993, p. 13.

¹⁹¹ As presented in the aftermath of the incident: “The level of official dialogue between China and the West has fallen sharply. Western nations have suspended military relations for the most part, although some low-level contacts involving the sharing of intelligence, discussion of strategic issues, and design of weapons systems appear to continue. There have been dramatic declines in revenues from tourism (down 20 per cent in 1989), direct foreign investment (down 22 per cent in the first half of 1990), and foreign lending (down 40 per cent in 1989), although Beijing has been able to protect its foreign exchange balances by imposing strict controls over imports.” Harry Harding, “The Impact of Tiananmen on China's Foreign Policy”, in *China's Foreign Relations After Tiananmen: Challenges for the U.S.*, Robert S. Ross, Allen S. Whiting and Harry Harding, NBR Analysis, The National Bureau of Asian Research, December 1990.

¹⁹² Foreign estimates of the civilian death toll were initially 2000, though this was revised to 1000.

¹⁹³ Leo Suryadinata, “Indonesia-China relations: a recent breakthrough”, *Asian Survey*, vol.30, no. 7, July 1990, pp. 682-696. For later tensions, based on potential resource issues, see Douglas Johnson, “Draw into the Fray: Indonesia's Natuna Island Meet China's Long Gaze South”, *Asian Affairs*, vol. 24, no. 3, Fall 1997, pp.153-161.

citizenships.¹⁹⁴ Although China viewed these newly developed relationships with Southeast nations positively and wanted to use them to improve its image globally, it was at first hesitant to join ASEAN-led frameworks, fearful of how inviting new concepts from these regional organizations could undermine the stability of its regime and be used by the U.S. to constrain and criticize it.

Despite progress in establishing diplomatic ties with Beijing, the ASEAN6 countries were slow to overcome residual suspicions and approached China, which was experiencing impressive economic growth and military modernization, cautiously.¹⁹⁵ Even though the U.S. demonstrated during the first Gulf War of 1991 its superior capabilities,¹⁹⁶ capabilities which China could not match in the event of an American military campaign against itself, this did not reassure the ASEAN6 regarding China's assertive claims in the South China Sea. Brunei, the Philippines, Malaysia and Vietnam (which was not yet an ASEAN member) opposed China's claim to sovereignty over the Spratly and Paracel Islands in the South China Sea. During the Cold War, as noted above, ASEAN sought to deny its area to great power competition through a policy of ZOPFAN, but was opposed to communism and hence was supported by the West. The communist part of Southeast Asia was confined to the former Indochina on mainland Southeast Asia, with Vietnam hosting Soviet bases while the Philippines had American ones. ASEAN was then dealing with a more predictable system where the intentions of main players were

¹⁹⁴ Jeannie Henderson, *Reassessing ASEAN*, Adelphi Paper no. 328, London: International Institute of Strategic Studies, 1999.

¹⁹⁵ China recorded on average 9.4% growth of GDP in 1978-2003, the value of GDP reached US\$1.24 trillion by 2003, which was more than twice the combined GDP of ASEAN5 (Brunei not included). However, its GDP per capita was lower than all ASEAN6, except for Indonesia. These figures come from *World Bank Development Reports 1995, 2000/2001, 2002, 2003* in combination with *Regional Outlook: Southeast Asia 2003-2004*, An overview of the performance of these economies can be found in John Wong, "China-ASEAN relations: an economic perspective", in *China-ASEAN Relations: Economic and Legal Dimensions*, ed. John Wong, Zou Keyuan and Zeng Huaquan, Singapore: World Scientific, 2006, pp. 321-336.

¹⁹⁶ See: "The Gulf War -- Lessons for Chinese Military S&T", A report from U.S. Embassy Beijing November 1996, *Federation of American Scientists*, [<http://www.fas.org/nuke/guide/china/doctrine/stmil14.htm>].

clearly defined. In the post-Cold War era, the gap between ideology and social systems narrowed.¹⁹⁷ ASEAN had an opportunity to showcase a more dynamic network dialogue and engage the other regional actors.

The Quest for Security Cooperation

In order to assess ASEAN's ability to act as a 'diplomatic leader' and soft balance a strengthening China, it is vital to briefly review ASEAN's institutional framework and the internal decision-making. It is not the purpose of the following section to analyze all areas of ASEAN co-operation, because the primary focus here is security cooperation; as it evolved during ASEAN's first three decades ASEAN was not established as a 'security alliance'. However, it was aligned to oppose any external influences which threatened domestic and regional security, and these were mainly concerned with the spread of communist ideology or the emergence of proxy conflicts in its region.¹⁹⁸

Institutional Framework

ASEAN's institutional design initially resembled the European Free Trade Area (EFTA),¹⁹⁹ which was an inspiration for ASEAN's forerunner institution, the Association of Southeast Asia (ASA), comprising the Philippines, Malaysia and Thailand, in 1961.²⁰⁰ This structure was adopted by ASEAN in the Bangkok

¹⁹⁷ Lai Foon Wong, "China-ASEAN and Japan-ASEAN Relations during the Post-Cold War Era", *Chinese Journal of International Politics*, vol.1, 2007, pp.373-404; Joseph S. Y. Cheng, "ASEAN's Role in the Chinese Foreign Policy Framework", in *The 2nd ASEAN Reader*, ed. Sharon Siddique and Sree Kumar, Singapore: Institute of Southeast Asian Studies, 2003, pp. 430-434.

¹⁹⁸ Geoffrey B. Cockerham, "Regional Integration in ASEAN: Institutional Design and the ASEAN Way", *East Asia*, vol. 27, issue 2, p.170; Shaun, Narine, *Explaining ASEAN: Regionalism in Southeast Asia*, Boulder, CO: Lynne Rienner, 2002; Ronald D. Palmer & Thomas J. Reckford *Building ASEAN: 20 Years of Southeast Asian Cooperation*, N.Y.: Praeger, 1987.

¹⁹⁹ The European Free Trade Association (EFTA) was founded by Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom, to promote closer economic cooperation and free trade in Europe, in 1960. See the official website: [<http://www.efta.int/about-efta/history.aspx>]

²⁰⁰ Arnfinn Jorgensen-Dahl, *Regional Organization and Order in South-East Asia*, New York: St. Martin's Press, 1982, p.22.

Declaration in 1967.²⁰¹ It suited all member states because the institutional design was based on intergovernmentalism, with a strong promotion of state's sovereignty. The structure was very decentralized and dependent on national secretariats. The collaboration between member states took place in the ASEAN Ministerial Meeting (AMM), a council of ministers, and this meeting would convene once a year in a different state in accordance with a rotation calendar. A Secretary-General would be selected also on a rotational basis. The organization has evolved at a pace comfortable to all, with the consensus method of decision-making. This type of consensus has been criticized as ineffective.²⁰² ASEAN has been named a 'talk shop', in which the slow pace discussions do not produce sufficient and tangible results.²⁰³ However, this limitation did not stop the gradual evolution of the organization as it sought to improve its ability to cope with existing challenges.

ASEAN's organizational structure became more centralized in the mid-1970s, when the ASEAN Secretariat was established in Bali, with a permanent location in Jakarta (1976).²⁰⁴ The role of the Secretariat was to assist the Secretary-General and it has become a document depository. It does not hold decision-making powers and the General-Secretary's role was only strengthened after the Cold War. He (no woman has yet held this post) now holds a ministerial status and his mandate

²⁰¹ The 1967 Bangkok Declaration is the key document establishing the ASEAN. It was mainly focused on outlining areas of cooperation (economic, social, cultural, technical, scientific and administrative), with only a mention of 'security' in its preamble. In terms of institutional design, the Declaration promoted an annual meeting of ministers of foreign affairs and committees. 1967 Asean Declaration, Adopted by the Foreign Ministers at the 1st ASEAN Ministerial Meeting in Bangkok, Thailand on 8 August 1967, [<http://cil.nus.edu.sg/rp/pdf/1967%20ASEAN%20Declaration-pdf.pdf>].

²⁰² Anja Jetscke, "ASEAN", *Routledge Handbook of Asian Regionalism*, ed. Mark Beeson and Richard Stubbs, New York, NY: Routledge, 2012, p. 330; Muthiah Alagappa, "Institutional Framework. Recommendation for Change", in *The 2nd ASEAN Reader*, ed. Sharon. Siddique and Sree Kumar, Singapore: Institute of Southeast Asian Studies, 2003, pp.22-27.

²⁰³ Hiro Katsumata, "Establishment of the ASEAN Regional Forum: constructing a 'talking shop' or a 'norm brewery'?" *The Pacific Review*, vol.19, no.2, June 2006, p.181-198.

²⁰⁴ Agreement on the Establishment of the ASEAN Secretariat Bali, 24 February 1976, [<http://www.asean.org/asean/asean-secretariat/basic-documents/item/asean-secretariat-basic-documents-agreement-on-the-establishment-of-the-asean-secretariat-bali-24-february-1976-2>].

allows him to “initiate, advise, coordinate and implement” ASEAN activities. His mandate was extended from two to five years, with a possibility of extension.²⁰⁵

In support of the ASEAN Ministerial Meeting and the Secretary-General’s duties, ASEAN strengthened its legitimacy among member states by organizing summits for Heads of Governments.²⁰⁶ The first took place in Bali in 1976. These summits allow the signing of more binding agreements, such as the 1976 Treaty of Amity and Cooperation (TAC), which introduced the role of a ‘High Council’ – a mechanism for dispute settlement. During this period, ASEAN member states wanted to strengthen their security cooperation in light of the U.S. withdrawal from Vietnam and the U.S.-China rapprochement. The TAC outlined the following guiding principles for inter-state relations: “a) mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations; b) the right of every State to lead its national existence free from external interference, subversion or coercion; c) non-interference in the internal affairs of one another; d) settlement of differences or disputes by peaceful means; e) renunciation of the threat or use of force; and f) effective cooperation among themselves.”²⁰⁷

The Treaty of Amity and Cooperation (TAC) was amended by protocols in 1987 and 1998. These amendments allowed opening the TAC to non-ASEAN Southeast Asian states and states outside the region. It serves as a non-aggression pact and provides basic norms of inter-state relations. Although framed in general terms and

²⁰⁵ Protocol Amending The Agreement On The Establishment Of The ASEAN Secretariat Manila, Philippines, 22 July 1992, [<http://www.asean.org/news/item/asean-secretariat-basic-documents-protocol-amending-the-agreement-on-the-establishment-of-the-asean-secretariat-manila-philippines-22-july-1992-2/>]; Gradual institutional reforms took place after the Asian Financial Crisis 1997-1998, which involved the ASEAN Vision of 1997 and Ha Noi Plan of Action of 1998, the Bali Concord II (ASEAN Economic Community of 2003, and the ASEAN Charter, adopted on 20 November 2008 (in effect on 15 December 2008). The Charter provides ASEAN with a legal personality and promotes ASEAN identity – “One Vision, One Identity, One Community”, [<http://www.asean.org/archive/publications/ASEAN-Charter.pdf>].

²⁰⁶ The ASEAN Summits are the supreme policy-making body, the ASEAN Charter, Chapter IV ‘Organs’, Article 7 ‘ASEAN Summit’, p.14, [<http://www.asean.org/archive/publications/ASEAN-Charter.pdf>]

²⁰⁷ Article 2 in *Treaty of Amity and Cooperation in Southeast Asia*, Bali, 24 February 1976, [<http://www.official-documents.gov.uk/document/cm84/8472/8472.pdf>].

without enforcement mechanisms, the TAC became a major diplomatic tool required for prospective membership within ASEAN, and a general requirement for membership of the later EAS process (see further below). China and ASEAN agreed to adhere to the TAC's principles in *ASEAN-China cooperation towards the 21st century* on 16 December 1997.²⁰⁸ ASEAN has conducted foreign relations through annual meetings, which developed as ASEAN Post-Ministerial Meetings (PMCs) since the 1970s. The following section introduces China-ASEAN relations.

The Evolution of ASEAN-China Relations

ASEAN's relations with China were shaped by fears of Chinese influence in the region; this strengthened ASEAN's resolve to expand regional security cooperation.²⁰⁹ The relationship evolved in three major phases underpinned by changes in the broader security environment. The first phase was driven by enmity and correlated with Beijing's engagement with communist insurgencies in the region and the rising economic role of ethnic Chinese overseas. Indonesia, in particular, held a pessimistic view based on China's support for the Indonesian Communist Party and possible role in the 1965 Indonesian coup.²¹⁰ Indonesia regarded ASEAN as a "shield against possible communist expansion",²¹¹ with the regional version of the domino theory having states 'falling' from Thailand, down through Malaysia, Singapore and then to Indonesia. After the end of the Cold War,

²⁰⁸ This agreement was among several listed in the Joint Declaration, which also included the Charter of the United Nations, and the Five principles of Peaceful Coexistence, Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the President of the People's Republic of China Kuala Lumpur, Malaysia, 16 December 1997, [<http://www.asean.org/news/item/joint-statement-of-the-meeting-of-heads-of-state-governments-of-the-member-states-of-asean-and-the-president-of-the-people-s-republic-of-china-kuala-lumpur-malaysia-16-december-1997>].

²⁰⁹ Michael Leifer, "Expanding Horizons in Southeast Asia?" *Southeast Asian Affairs*, 1994, pp.3-21.

²¹⁰ Rizal Sukma, "Indonesia's Perceptions of China: The Domestic Bases of Persistent Ambiguity", in *The China Threat: Perceptions, Myths and Reality*, ed. Herbert Yee et Ian Storey New York, NY: RoutledgeCurzon, 2002, pp.181-204; Michael Leifer, "Indonesia's Encounters with China and the Dilemmas of Engagement", in *Engaging China: The Management of an Emerging Power (Politics in Asia)*, ed. Alastair Iain Johnson and Robert S. Ross, New York, NY: Routledge, 1999, pp.87-108.

²¹¹ Dewi Fortuna Anwar, *Indonesia in ASEAN. Foreign Policy and Regionalism*, Singapore: ISEAS and St. Martin's Press, 1994.

China was perceived as a possible competitor in Jakarta's regional aspirations. This was particularly evident when Jakarta organized a series of workshops in the 1990s on managing conflict in the South China Sea. These workshops failed to provide tangible outcomes, due to China's non-compliance to mutually agreed norms during the 1995 Mischief Reef incident and the 1997 Vietnam oil rig dispute. Jakarta was further displeased by Beijing's claims to a gas-rich area at the Natuna Islands, occupied by Indonesia.²¹²

China equally viewed ASEAN with suspicion, regarding it as an instrument fashioned by U.S. imperialism and Soviet revisionism that served as a 'Third World' battleground of superpower competition (the very situation ASEAN in its institution and norm building wished to avoid). Beijing upheld this view even during the second phase in the early 1980s, when it was determined to reconcile political and economic relations with the U.S. and ASEAN states, providing a counterweight to Hanoi. China perceived Vietnam as a threat to its regional sphere of influence, due to the Vietnamese invasion of Cambodia in 1976; Hanoi's ties with Moscow represented for China an encirclement strategy by its primary foe at the time, the Soviet Union.²¹³

Beijing gradually came to view ASEAN as a primary protector of stability and peace in the Asia-Pacific region and an important "Asian pole" in its pursuit for a multipolar order.²¹⁴ China established formal diplomatic relations with ASEAN6

²¹² Rizal Sukma, "Indonesia's Perceptions of China: The Domestic Bases of Persistent Ambiguity", pp. 191-195; Douglas Johnson, "Draw into the Fray: Indonesia's Natuna Island Meet China's Long Gaze South", *Asian Affairs*, vol. 24, no. 3, Fall 1997, pp. 153-161.

²¹³ See Rosita Dellios, *Modern Chinese Defence Strategy: Present Developments, Future Directions*, Basingstoke: Macmillan, 1989, pp. 144-150; Andrew Scobell, *China's Use of Military Force: Beyond the Great Wall and the Long March*, Cambridge: Cambridge University Press, 2003, pp. 119-143.

²¹⁴ Joseph Y.S. Cheng, "China's ASEAN Policy in the Mid-1990s: Pushing for Regional Multipolarity", *Contemporary Southeast Asia* 21, no.2, August 1999, p.183.

countries during the third phase in the early 1990s.²¹⁵ After establishing diplomatic relations with Singapore and Indonesia, the relationships normalized and led to the first official attendance by Chinese Foreign Minister Qian Qichen at the ASEAN Ministerial Meeting (AMM) in Kuala Lumpur as the Malaysian government's guest in July 1991. In the words of Secretary-General Ong Keng Yong: "Before ties between ASEAN and China were formally established in 1991, they were marked by mutual suspicion, mistrust and animosity largely because of China's support for the communist parties in ASEAN countries."²¹⁶

Although the Chinese government expressed its wish to become ASEAN's dialogue partner at this time, it was not until *the Joint Press Statement for the Meeting to Explore the Establishment of the Consultative Relationship with the People's Republic of China*, during the then ASEAN Secretary-General Dato' Ajit Singh's visit to Beijing in September 1993, that the parties agreed to move the mutual relationship onto a more formal level. Legally, however, it was the following year, after the exchange of letters between ASEAN and the Chinese Foreign Ministry, that the formal cooperative relationship was created in Bangkok in July 1994.²¹⁷ Two joint committees were founded: one on economic and trade cooperation and the other on cooperation in science and technology. Eventually, China was granted full dialogue partner status in Jakarta in July 1996.²¹⁸

Despite the improved relations between ASEAN and Beijing, growing Chinese influence underpinned by expanding trade and investment and its assertive posture

²¹⁵ Richard Sokolsky, Angel Rabasa and C.R. Neu, *The Role of Southeast Asia in U.S. Strategy Toward China*, Santa Monica, CA: RAND, 2000.

²¹⁶ Ong Keng Yong, Keynote Address at ASEAN-China Forum 2004, "Developing ASEAN-China Relations: Realities and Prospects", 23 June 2004, [<http://www.asean.org/16256.htm>].

²¹⁷ Lingliang Zeng, ASEAN-China Relations: An International Law Perspective, in *China-ASEAN relations: economic and legal dimensions*, ed. John Wong, Zou Keyuan and Zeng Huaqun, Singapore: World Scientific Publishing Co. Pte. Ltd., 2006.

²¹⁸ See: ASEAN Official Website, ASEAN-China Dialogue, [<http://www.asean.org/5874.htm>]

towards Taiwan and the South China Sea dispute caused lingering distrust among the ruling elites of ASEAN countries.²¹⁹

The ‘China Threat Theory’

According to the Chinese interpretation of the ‘China threat theory’, a term used by Chinese scholars, negative views of China can be traced back to an article written by a Japanese professor from Japan’s National Defense Academy in August 1990.²²⁰ The official version traces the beginning of the China threat theory to the end of 1992.²²¹ This perception was further reinforced by Charles Krauthammer’s essay *Why We Must Contain China* and the Chinese reply from *Liaowang* weekly. Krauthammer characterized China as a “bully” that “tries relentlessly to expand its reach”.²²² He provided a detailed prescription of how to deal with China and suggested forming strong security alliances with Russia, Vietnam and Japan. Additionally, he said, the U.S. government should undermine the PRC regime by supporting Chinese dissidents and engaging in criticism of human rights abuses. Two weeks later, the Chinese *Liaowang* weekly referred to Krauthammer as a “Cold War knight” and called his article “arrogant,” “preposterous,” and “an idiot’s gibberish”.²²³

ASEAN’s threat perception can be understood through four factors outlined in Stephen Walt’s *Origins of Alliances*: the aggregate power possessed by the

²¹⁹ Jose T. Almonte, “Ensuring Security the ASEAN Way”, *Survival*, vol.39, no.4, Winter 1997-1998, pp.80-92.

²²⁰ Wang Zhongren, “‘China Threat’ Theory Groundless”, *Beijing Review* 40, no.28, 14-20 July 1997, pp.7-8.

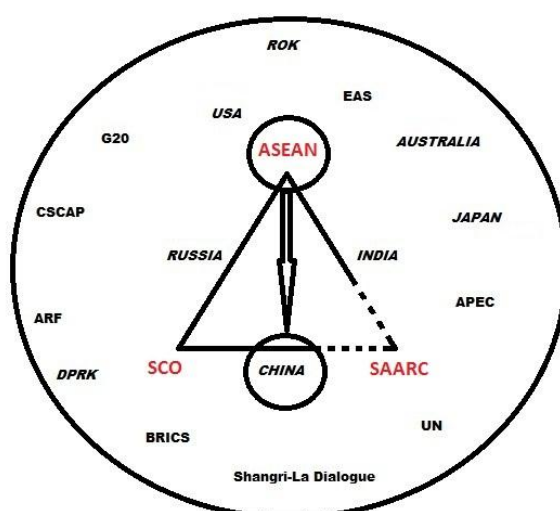
²²¹ Yong Deng, *China’s Struggle for Status: The Realignment of International Relations*, New York, NY: Cambridge University Press, 2008, p.104.

²²² Charles Krauthammer, “Why We Must Contain China”, *Time*, 31 July 1995, [<http://www.time.com/time/magazine/article/0,9171,983245,00.html>]; ‘Confucianist China’ was identified as a threat to the West in Samuel Huntington’s *Clash of Civilizations*, *Foreign Affairs*, vol.72, no.3, Summer 1993, [<http://www.foreignaffairs.com/articles/48950/samuel-p-huntington/the-clash-of-civilizations>]; John Mearsheimer argued that “a wealthy China would not be a status quo power but an aggressive state determined to achieve regional hegemony”, John J. Mearsheimer, *The Tragedy of Great Power Politics*, New York: Norton and Co., 2001, p. 4; Zbigniew Brzezinski and John J. Mearsheimer, “Clash of the Titans,” *Foreign Policy*, vol. 146, January/February 2005, [<http://mearsheimer.uchicago.edu/pdfs/A0034.pdf>].

²²³ Denny Roy, “The China ‘Threat Issue’: Major Arguments”, *Asian Survey*, vol. 36, no. 8, 1996, pp. 759–64.

threatening state, that state's geographical proximity, its offensive power, and the aggressive intentions of the state.²²⁴ The last point relates to a country's reputation and the more threatening this reputation is, the more inclined ASEAN is to use soft balancing against that state, which in this case is China (Figure 4).²²⁵

Figure 4: ASEAN's soft- balancing strategy towards China



China has gone through modernization of its national defense, which is one of its Four Modernizations, introduced by Deng Xiaoping in 1978. With the receding threat from the Soviet Union, which required strategies for dealing with forces moving far into China's hinterland, Beijing strategists started to prepare for a new doctrine, which called for deployments on China's periphery.²²⁶ The aim was to prepare a more mobile, lethal and professional force, which was further reconfirmed after the 1991 Gulf War in which the U.S. used advanced military

²²⁴ Stephen Walt, *The Origins of Alliances*, Cornell University Press, Ithaca and London, 1990, p.5.

²²⁵ Peter J. Katzenstein, "Introduction: Alternative Perspectives on National Security", in *The Culture of National Security: Norms and Identity in World Politics*, ed. Peter J. Katzenstein, New York: Columbia University Press, 1996, pp. 14-17, [<http://library.northsouth.edu/Upload/The%20Culture%20of%20National%20Security.pdf>].

²²⁶ Paul H.B.Godwin, "From Continent to Periphery: PLA Doctrine, Strategy and Capabilities Towards 2000", *The China Quarterly*, no.146, June 1996. Discussion about China's new defense posture under Deng Xiaoping, guided by the doctrine of 'people's war under modern conditions' is analyzed in Rosita Dellios, *Modern Chinese Defense Strategy: Present Developments, Future Directions*, Basingstoke: Macmillan, 1989.

technology.²²⁷ Unable to produce such modern weaponry, China managed to acquire state-of-the-art hardware from Russia throughout the 1990s.²²⁸ It was reported that almost 97 per cent of China's arms imports valued at \$1.75 billion during 1992-1994 came from Russia.²²⁹ These reforms required substantial funds; therefore, China increased its defense spending by double-digit percentage rates every year and officially reported an increase from \$6.06 billion to \$12.6 billion between 1990 and 1999.²³⁰ These estimates were scrutinized overseas, with some defense specialists arguing that the actual level of defense spending was two to three times the reported figures.²³¹

ASEAN members recognized China's right to modernize its national defense. However, the lack of transparency, and the use of its military capabilities in the contest over competing claims in the South China Sea, heightened legitimate concerns and resulted in soft balancing efforts to restrain China in the region.

ASEAN's Response to a Re-emerging China

ASEAN6 responded to a rising China and the China threat theory in the 1990s by seeking to socialize China towards regionally responsible behavior and a commitment to shared norms through membership in the ASEAN Regional Forum (ARF) and via other mechanisms such as the TAC and an intensified bilateral dialogue. This was an indirect soft balancing strategy with the aim of constraining

²²⁷ You Ji, *The Armed Forces of China*, St Leonards, NSW: Allen&Unwin, 1999, p.8.

²²⁸ An agreement on the Russian arms transfer to China was signed by President Yeltsin and Chinese Prime Minister Li Peng in December 1992, The Memorandum on the Principles of Military and Technical Cooperation between China and Russia, an overview of these arms transfers can be found in Ming-Yen Tsai, Chapter 5 "Russian Arms Transfer to China", in *From adversaries to partners?: Chinese and Russian military cooperation after the Cold War*, Westport, CT: Praeger, 2003, pp.117-152.

²²⁹ Nigel Holloway and Charles Bickers, "Brothers in Arms: The U.S. Worries about Sino- Russian Military Cooperation", *Far Eastern Economic Review*, 13 March 1997, pp. 20-21.

²³⁰ *IISS Military Balances (1990-2000)*, International Institute for Strategic Studies, London: Oxford University Press.

²³¹ Richard Bitzinger and Chong-Pin Lin, *The Defence Budget of the People's Republic of China*, Washington, D.C.: The Defence Budget Project, November 1994; Ian Storey, *Southeast Asia and the Rise of China: the search for security*, New York, NY: Routledge, 2011, pp.43-44.

China. This argument will be explored through analysis of China's engagement in the ASEAN-led²³² ARF and ASEAN's dialogue with China over the South China Sea issue.

This discussion directly responds to the major debate as to whether China was socialized and gradually internalized ASEAN's norms of behavior,²³³ or whether China cleverly manipulated its relations with Southeast Asian nations to reshape the regional order. It concludes that China initially embraced multilateralism as a measure to improve its image in the aftermath of the Tiananmen incident, and ASEAN6 had an impact on the decision by a group of Chinese elites to increase their country's engagement in multilateral discussion in areas of common interest. However, ASEAN did not succeed in convincing China to resolve the South China Sea dispute, despite the 2002 agreement on the Code of Conduct in the South China Sea. Beijing developed a tendency to opt for a neorealist approach to multilateral cooperation and embraces cooperation solely in spheres which do not compromise its main national interests.²³⁴ This was noticeable in cases of China's violation of the agreed status quo by occupying Mischief Reef in the Spratly Islands in 1995, followed by the 1997 oil rig dispute with Vietnam.

²³² ASEAN-led does not necessarily mean that ASEAN member states drive the agenda; however, they facilitate the meetings and dialogue among external powers in the region.

²³³ Alice D. Ba, "Who's socializing whom? Complex engagement in Sino-ASEAN relation", *The Pacific Review*, vol. 19, no. 2, June 2006, pp. 157–179.

²³⁴ The term 'core interests' would only be formally mobilized later on. One key 2011 usage notes: "China is firm in upholding its core interests which include the following: state sovereignty, national security, territorial integrity and national reunification, China's political system established by the Constitution and overall social stability, and the basic safeguards for ensuring sustainable economic and social development." Information Office of the State Council, PRC, *China's Peaceful Development* (White Paper), Beijing, September 2011, [http://news.xinhuanet.com/english2010/china/2011-09/06/c_131102329.htm].

Shaping China's Behavior in the ASEAN Regional Forum

The first case discusses ASEAN's soft balancing in the ARF with the aim to constrain China's behavior. This strategy was performed through multilateral institutional engagement. The argument made here is that ASEAN, insecure about China's intentions, facilitated China's membership in the ARF and engaged Beijing in dialogue on security issues and shared norms. This made it more costly for China to pursue its own interests without considering the impact on the region. Successful soft balancing further reduced potential for regional conflicts because all parties claim to adhere to the same code of conduct in their relations. Even if mainly declarative, such codes set the groundwork for diplomatic debate on disputes which can be channelled via multilateral fora. This cooperation in the multilateral framework should be viewed in the context of China's increased interest in multilateralism. The ARF's creation is also seen as a historical milestone in the Indo-Asia-Pacific because it paved the way for the establishment of the very first regional security organization, which involves ASEAN member states side by side with all major powers of the region, as well as the European Union.

The ARF was established with the aim of enhancing security cooperation in the Asia-Pacific region. The origins of the ARF lie in a series of proposals from ASEAN member states and non-ASEAN states. One serious proposal to use the ASEAN Post-Ministerial Conference (ASEAN-PMC, meetings between ASEAN members and external countries) came from the ASEAN Institute of Strategic International Studies (ASEAN-ISIS), a Track II framework, in 1990. This initiative received negative responses from Indonesia and Malaysia, who did not wish to widen the scope of the ASEAN-PMC beyond economy to include regional security. Japanese Foreign Minister Taro Nakayama proposed in Kuala Lumpur in July 1991

to convert ASEAN-PMC into a formal security dialogue forum.²³⁵ Over the following three years this proposal would gain support from Japan, Australia and Canada as way to enhance regional cooperation. This proposal was met with opposition from the U.S. who saw multilateral organizations as threats to the U.S. bilateral alliances.²³⁶

Eventually, the agreement to create the ARF came during the Foreign Ministers' Meeting in Singapore in 1993. The participating nations agreed that this collaboration would bring more predictable patterns into their security relations. ASEAN wanted to balance the three major powers in the region: the U.S., which had delivered a notice of its withdrawal from Subic Bay military base in the Philippines; Japan, which had a potential to remilitarize; and re-emerging power of China.

In Michael Leifer's words:

ASEAN's goal was to create conditions for a stable balance of power... which would enable the Association to maintain its operational security doctrine.²³⁷

The members of the ARF planned a three-stage development process for the new body:

Stage I : Promotion of Confidence-Building Measures (CBMs)

Stage II: Development of Preventive Diplomacy Mechanisms

Stage III: Development of Conflict-Resolution Mechanisms²³⁸

²³⁵ Desmond Ball and Pauline Kerr, *Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s*, St. Leonards, NSW: Allen and Unwin, 1996.

²³⁶ Ralf Emmers, *Cooperative Security and the Balance of Power in ASEAN and the ARF*, London: Routledge, 2003, p. 113.

²³⁷ Michael Leifer, *The ASEAN Regional Forum: Extending ASEAN's Model of Regional Security*, Adelphi Papers, no.302, London: Oxford University Press, 1996, p.19.

The first stage deserves a particular attention. During the initial ARF ministerial meeting in Bangkok in July 1994, participants established that the main objective should be to enhance regional confidence-building and preventive diplomacy.²³⁹ This, however, proved to be a complex task overshadowed by differences between two groups of states. Countries such as Australia, Canada and the U.S. supported concrete CBMs, which would increase military transparency, and this was in opposition to a more informal approach from ASEAN countries and China, who emphasized declaratory measures, based on a voluntary steps.²⁴⁰ In light of mutual threat perceptions, and with the aim to socialize China into becoming a more predictable and regionally friendly actor, the ASEAN member states supported measures which would increase trust. The first major dialogue with regards to regional trust-building measures (TBMs) took place in Canberra during the ARF inter-sessional seminar in November 1994. These measures were outlined by Paul Dibb, who suggested that a combination of military and non-military TBMs ensures more confidence and reduction of suspicion and uncertainty in the region. They additionally minimize the potential for armed conflicts. Dibb divided the TBMs into two major groups: information sharing and measures of constraint.²⁴¹ He further distinguished the likelihood of achieving specific TBMs. The UN Conventional Arms Register, military-to-military contacts and allowing observers at military exercises are the least difficult TBMs to accomplish. More challenging TBMs relate to publishing defense white papers and creating a regional arms

²³⁸ “Chairman’s Statement, First Meeting of the ASEAN Regional Forum”, the ASEAN Regional Forum, Bangkok, 25 July 1994, [<http://aseanregionalforum.asean.org/library/arf-chairmans-statements-and-reports/132.html>]; See further: John Garofano, “Power, Institutions, and the ASEAN Regional Forum: A Security community for Asia?”, *Asian Survey*, vol. 42, no. 3, May-June 2002, pp.502-521.

²³⁹ Ibid.

²⁴⁰ Yakeshi Yuzawa, *Japan’s Security Policy and the ASEAN Regional Forum: The Search for Multilateral Security in the Asia-Pacific*, London and New York: Routledge, 2007, p.65.

²⁴¹ Paul Dibb, *How to Begin Implementing Specific Trust-Building Measures in the Asia-Pacific Region*, Working Paper no. 288, Strategic and Defence Studies Centre, Australian National University, Canberra, p.4.

register and maritime information databases. The most difficult TBMs include maritime surveillance cooperation and major military exercises.²⁴²

Participants at the second ARF Ministerial Meeting agreed to a mix of more modest TBMs, such as participation in the UN Register of Conventional Arms and sharing defense white papers. These submissions were to be made on a voluntary basis.²⁴³ The proponents of these measures argued that they were different from CBMs because they were gradually building trust rather than focusing on immediate results.²⁴⁴ Critics could not see how CBMs and TBMs could be different, other than bringing an alternative perspective because they both imitate concepts already in use in other parts of the world and in security processes (for example, the Helsinki Process and later OSCE mechanisms).²⁴⁵

One function of the newly established ARF that ASEAN desired was to engage China within this multilateral, trust and confidence-building forum. China historically did not support mechanisms which would constrain its operability and cause Beijing to become dependent on practices which could undermine its autonomy. ASEAN and ARF's ability to maintain weak institutionalized structures in the presence of consensus decision-making, created a sense of non-intrusiveness, which was appealing to Chinese officials responsible for ARF policy in China.²⁴⁶

²⁴² Paul Dobb, *How to Begin Implementing Specific Trust-Building Measures in the Asia-Pacific Region*, Working Paper no. 288, Strategic and Defence Studies Centre, Australian National University, Canberra, p.5.

²⁴³ "Chairman's Statement the Second Meeting of the Asean Regional Forum", the ASEAN Regional Forum, Brunei Darussalam, 1 August 1995, [<http://aseanregionalforum.asean.org/library/arf-chairmans-statements-and-reports/133.html>].

²⁴⁴ Gareth Evans and Paul Dobb, *Australian Paper on Practical Proposals for Security Cooperation in the Asia Pacific Region*, Canberra: Department of Foreign Affairs and Trade and Strategic and Defence Studies Centre, 1994, p. 1.

²⁴⁵ David Capie and Paul Evans, *The Asia-Pacific Security Lexicon*, 2nd ed., Singapore: Institute for Southeast Asian Studies, 2007, p.246. See further OSCE Secretariat Conflict Prevention Centre Operations Service *OSCE Guide on Non-Military Confidence Building Measures (CBMS)*, Vienna: OSCE Secretariat, 2012 [<http://www.osce.org/cpc/91082>].

²⁴⁶ Alastair Iain Johnson, "The Myth of the ASEAN Way? Explaining the Evolution of the ASEAN Regional Forum", in *Imperfect Unions: Security Institutions over Time and Space*, ed. Helga Haftendorn, Robert E. Keohane and Celeste A. Wallander, Oxford: Oxford University Press, 1999, pp.290-291.

China responded by publishing a white paper on arms control and disarmament in November 1995, which was the first defense-related paper produced since 1949.²⁴⁷ This was followed in 1998 by China's first official defense white paper, entitled *China's National Defense*.²⁴⁸ While in the West publication of defense white papers promoting a greater transparency is a common practice, in China military transparency is viewed as undermining national security and rendering the country vulnerable.²⁴⁹ The strategic benefits of 'deception', when faced with potential adversaries in possession of superior military capabilities, are known to military planners around the world but China in particular is noted for a strategic culture in which 'deception' has been given special attention as an asymmetric tool.²⁵⁰

Irrespective of the limitations of China's defense white papers (they are not as transparent as their Western counterparts), China's participation in the ARF since 1994 contributed to socializing Chinese policy elites into a better understanding of the China threat theory and concerns in relation to China's military modernization. Thus, as a result of these external pressures, Beijing began to publish defense white papers and thus contributed to regional confidence-building.²⁵¹ China also gained more confidence in sharing its perspectives on security topics, especially in

²⁴⁷ *China: Arms Control and Disarmament*, Beijing: Information Office of the State Council of the People's Republic of China, 1995.

²⁴⁸ *China's National Defense*, Beijing: Information Office of the State Council of the People's Republic of China, 1998.

²⁴⁹ Jian Zhang, "China's Defense White Papers: a critical appraisal", *Journal of Contemporary China*, vol. 21, no.77, pp. 881-898.

²⁵⁰ See Sun Tzu, *The Art of War: complete texts and commentaries*, translated by Thomas Cleary, Boston, MA: Shambala Publications, Inc., 2003. In relation to the PRC defence white paper, see Richard Weitz, "China's new defense white paper continues tradition of military secrecy", *World Politics Review*, 18 January 2007, [<https://www.worldpoliticsreview.com/articles/480/chinas-new-defense-paper-continues-tradition-of-military-secrecy>]; the importance of deception is promoted in Sun Tzu's Art of War in relation to warfare.

²⁵¹ China is currently also involved in the 'Northeast Asia Defense Transparency Project', which aims to improve regional confidence and trust by increasing defense transparency. This project uses 'transparency index' to assess the performance of six countries: the Democratic People of Republic of Korea (DPRK), Japan, China, Republic of Korea, Russia and the U.S. These states, in eight areas (disclosure of defense white papers, quality of defense ministry websites, openness of defense budgets, robustness of legislative oversight, coverage and independence of media reporting, reporting of military activities to UN registers, transparency in cyber-related operations and doctrines and reporting of international military activities). China has ranked '5th' in the 2011 overall rankings. In the previous year it ranked four, before Russia and DPRK. The 2012 Defense Transparency White Paper, the University of California Institute on Global Conflict and Cooperation, [<http://igcc.ucsd.edu/assets/001/503775.pdf>].

informal settings. During a Canada-China seminar in Toronto in 1997, the Chinese delegate explained the subtle difference between the terms “confidence” and “trust”. He argued that they are not used “interchangeably” in China. Trust (*xinlai*) is considered as the final destination and confidence (*xinren*) is the process towards attaining this end goal.²⁵²

Track II and Track One-And-A-Half

Apart from the official channels, discussions were conducted within less formal settings, in second track and track one-and-a-half meetings. Organizers also hoped they could shape China’s disposition to discuss more sensitive security issues. The Council for Security Cooperation in the Asia Pacific (CSCAP) is the most known and developed nongovernmental process in the Indo-Asia-Pacific. It is disputed whether this cooperation falls under the second track or track one-and-a-half category. One way of assessing this is through the agenda and the participants at specific workshops and meetings. If the officials in their non-official capacity outnumber journalists, analysts and academics in particular meetings, then there is a likelihood that the track is more official, therefore, one-and-a-half; and there is a chance for the outcomes to be delivered to governmental officials and be translated into policies. If, however, non-officials form the majority, there is a lower chance for proposals to be accepted by policy-makers.²⁵³ Although framed as a Track II mechanism, with later meetings attended by academics, non-government experts, activists and youth leaders, CSCAP’s membership committees included research centers and institutes from the Asia-Pacific region, providing strong conduits to

²⁵² David Capie and Paul Evans, *The Asia-Pacific Security Lexicon*, 2nd ed., Singapore: Institute for Southeast Asian Studies, 2007, p.246.

²⁵³ Differences between track I, one-and-a-half and II can be found in Capie and Evans 2007.

influence government and IGO policies.²⁵⁴ The original mission of CSCAP, established in 1992-93, was to provide “a more structured regional process of non-governmental nature...to contribute to the efforts towards regional confidence building and enhancing regional security through dialogues, consultation and cooperation.”²⁵⁵ CSCAP was quite crucial at formulating the trust-building measures and the memorandum on preventive diplomacy. It contributed by drafting the working definition of ‘preventive diplomacy’ for the ARF.²⁵⁶ The CSCAP member committees recognized that China’s membership was crucial if viable pan-regional security architecture was to be established.²⁵⁷

China hesitated to join the CSCAP until an agreement on Taiwan’s involvement was reached in 1996, whereas the Taiwanese delegates could only participate in meetings in a private capacity. The level of organization of specific working groups (now called study groups) made it difficult for China to resist;²⁵⁸ it did not want to be left out of major debates.

ARF and Track II mechanisms have played a vital role in ASEAN’s soft balancing strategy towards China. ASEAN nations were not able, nor willing, to engage in countering China’s power through conventional methods by using hard power.

²⁵⁴ See further: Charles E. Morrison, “Track I/Track 2 symbiosis in Asia-Pacific regionalism”, *Pacific Review*, vol. 17, issue 4, December 2004, pp.547-565.

²⁵⁵ “Seoul Statement on Security Cooperation in the Asia Pacific” (cited in Desmond Ball, *The Council for Security Cooperation in the Asia Pacific: Its Record and Its Prospects*, Canberra Papers on Strategy and Defence, no. 139, Canberra: Strategic Defence Studies Centre, Australian National University, October 2000).

²⁵⁶ The contributions of the non-official track is analyzed in Sheldon W. Simon, “The ASEAN Regional Forum Views the Councils for Security Cooperation in the Asia Pacific: How Track II Assists Track I”, *NBR Analysis* 13, no.4, July 2002, pp.5-23.

²⁵⁷ Desmond Ball, *The Council for Security Cooperation in the Asia Pacific: Its Record and Its Prospects*, Canberra Papers on Strategy and Defence, no. 139, Canberra: Strategic Defence Studies Centre, Australian National University, October 2000, p.13.

²⁵⁸ China’s engagement in track two mechanisms started within the South China Sea Workshop, which is explored later in this chapter and within a track one-and-a-half, the Northeast Asia Cooperation Dialogue. Additionally, China established its own non-official mechanism, the Boao Forum for Asia in 2001 and increased its senior level participation at the IISS Shangri-La Dialogue, where defense ministers discuss Asian security. China uses this dialogue to demonstrate a greater transparency in military affairs. More detailed discussion about China’s unofficial diplomacy can be found in Brendan Taylor, “China’s “Unofficial” Diplomacy”, *China’s “New” Diplomacy: Tactical or Fundamental Change?*, ed. Pauline Kerr, Stuart Harris, Qin Yaqing, Palgrave Macmillan, New York, 2008, pp.195-209.

They utilized institutional frameworks to engage China in cooperative security arrangements which constrained China by adopting shared principles, norms and rules of conduct. China benefited from its participation in CSCAP and ARF by creating networks of dialogue and improving its image vis-à-vis the negative perception based on the China threat theory. It also gained multiple opportunities to discuss economic cooperation with ASEAN member states. These trends would help lay the basis for future cooperation on non-traditional security issues, anti-drug measures and dialogue on transborder issues.²⁵⁹ ASEAN states, however, discovered that China resorted to more assertive policies when it pursued its national interest.²⁶⁰ The limitations of ARF's constraints on China's behavior are discussed below in relation to China's claims in the South China Sea.

Limits to Soft Balancing: The South China Sea Dispute

This case study seeks to assess China's willingness to engage with ASEAN in talks in an effort to resolve the South China Sea dispute through the 1990s. If the soft-balancing strategy worked, then China would have been successfully conditioned by ASEAN to internalize established norms and share the same understanding of codes of conduct in disputed areas. On the other hand, China's cooperative approach to this dispute could be attributed to its efforts to reduce the chances of an anti-China alliance led by the U.S. and ASEAN members who are driven by the

²⁵⁹ Lai Foon Wong, "China-ASEAN and Japan-ASEAN Relations during the Post-Cold War Era", *Chinese Journal of International Politics*, vol. 1, no. 3, 2007, pp.373-404, [http://cjp.oxfordjournals.org/content/1/3/373.full]; Ralph Emmers "International Regime Building in ASEAN: Cooperation Against the Illicit Trafficking and Abuse of Drugs", *Contemporary Southeast Asia*, vol. 29 no. 3, 2007, pp.506-525; Tai Wei Lim, "ASEAN Coping Mechanisms to Manage the Rise of China", *East Asia*, vol. 25, 2008, pp.407-422.

²⁶⁰ The role of ARF in encouraging China in 'the practice of good international behavior' is discussed in Ralf Emmers, "The Influence of the Balance of Power Factor within the ASEAN Regional Forum", *Contemporary Southeast Asia*, vol. 23, no.2, August 2001, pp. 275-291.

fear of a rising China, plus the prospect of U.S. containment of its primary competitor in the region.²⁶¹

The variable in this case is the ‘degree of cooperativeness’ with ASEAN in regard to South China Sea negotiations and compared with China’s unilateral activities in the disputed areas. Cooperativeness would mean a gradual change in approach and eventual alteration in policies regarding the dispute, which would be more favorable to all parties involved. This means a reversal of China’s insistence on its claim to all disputed waters, based on its U-shape line map, produced in 1947 (see the red U-shape line ‘H’ in Figure 5, p.111).²⁶² On the other hand, a lack of cooperativeness would be evident if China continuously ignored the other claimant states and built new or upgraded the existing structures in disputed areas, or drilled and fished in disputed waters.

Conflict Dynamics

The South China Sea dispute refers to a complex range of overlapping territorial and maritime jurisdiction claims (Figure 5) and interests in controlling sea lanes and acquiring resources (fishing and energy)²⁶³ among China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei.²⁶⁴ The dispute is primarily over the Spratly

²⁶¹ Chinese motivations of learning and adaptation are explained and tested in more detail in Serene Hung, “China in ASEAN-led Multilateral Forums”, vol. 185, Occasional paper, *Contemporary Asian Studies Series*, University of Maryland, 2006.

²⁶² The background to Chinese historical claims and a figure with the First Official Map with the Chinese Traditional Maritime Boundary Line can be found in Zou Keyuan, “The Chinese traditional maritime boundary line in the South China Sea and its legal consequences for the resolution of the dispute over the Spratly Islands”, *International Journal of Marine Coastal Law*, vol. 14, issue 1, 1999, p. 29.

²⁶³ Geophysical surveys and geologic studies confirmed the occurrence of major gas and oil reserves. See: Mark J. Valencia, *China and the South China Sea Disputes*, Adelphi Paper 298, London: International Institute for Strategic Studies, 1995, pp. 8-11. The U.S. Energy Information Administration estimates a total of discovered reserves and undiscovered resources at 28 billion billion barrels of oil deposits. It also claims that there is not enough evidence, outside Chinese estimates which cite 105 billion barrels, to support the argument that the South China Sea holds substantial amount of resources. See: “South China Sea”, U.S. Energy Information Administration, last updated March 2008, [<http://www.eia.gov/countries/regions-topics.cfm?fips=SCS&trk=p3>].

²⁶⁴ These countries base their claims on legal and historical grounds. See: Liam A. Mito, “The Timor Gap Treaty as a Model for Joint Development in the Spratly Islands”, *American University International Law Review* 13, no. 3, 1998, pp. 727-764. The individual claims are under the international law are analysed in Mark J. Valencia, Jon M. Van Dyke, and Noel A. Ludwig, *Sharing the Resources of the South China Sea*,

Islands and the Paracels and adjacent EEZs.²⁶⁵ China claims both segments, based on their historical usage, which dates back to the Han dynasty (206-220 A.D.).²⁶⁶ China's thinking is said to be influenced by Confucian political thought, in which the rule is over "men and not space" and the claim is over territory where individuals reside and maintain influence, not over "linear boundaries".²⁶⁷ However, this thinking is not unique to China. Traditional Southeast Asia also regarded people's allegiance to a ruler rather than territory as a deciding factor in the extent of a kingdom's domain. Ian Mabbett has written on early Southeast Asian polities not being geographic or cartographic: "The orientation implied is related to the dimensions not of space but of politics, and diplomacy..."²⁶⁸ Thus, "Khmer villages acknowledged that they formed part of the Khmer kingdom. A Vietnamese village situated between them did not."²⁶⁹ This means that traditional usage and access, perceptions of vulnerability, and historical conflicts remain part of the deeper political engagement in these disputes.²⁷⁰

Honolulu: University of Hawaii Press, 1999; Greg Austin, *China's Ocean Frontier – international Law, Military Force and National Development*, St Leonards, NSW: Allen & Unwin; Bob Catley and Mamur Keliat, *Spratlys: The Dispute in the South China Sea*, Aldershot: Ashgate, 1997.

²⁶⁵ Each claimant uses its own national name for these islands. The use of names in this work reflects the most common usage in academic literature and media and does not reflect a point of view with regards to specific sovereignty claims of any participating claimant.

²⁶⁶ R. Haller-Trost, *International Law and the History of the Claims to the Spratly Islands*, South China Sea Conference, American Enterprise Institute, 7-9 September 1994; Ji Guoxing, "The Spratly Disputes and Prospects for Settlement", *Institute of Strategic and International Studies*, Malaysia, 1994, p. 2.

²⁶⁷ Gerardo M.C. Valero, Spratly Archipelago Dispute, *Marine Policy*, vol. 18, issue 4, 1994, p. 314, 323.

²⁶⁸ Ian W. Mabbett, *Truth, Myth, and Politics in Ancient India*, New Delhi: Thompson Press, 1971, pp. 38-9. See also: Martin Stuart-Fox, *Buddhist Kingdom, Marxist State: The Making of Modern Laos*, Bangkok: White Lotus, 1996.

²⁶⁹ Ian Mabbett, p. 7.

²⁷⁰ David Rosenberg, "Governing the South China Sea: From Freedom of the Seas to Ocean Enclosure Movements", *Harvard Asia Quarterly*, vol. 12, issue 3/4, 2010, Winter, pp.4-12; Carlyle A. Thayer "The Tyranny of Geography: Vietnamese Strategies to Constrain China in the South China Sea", *Contemporary Southeast Asia: A Journal of International & Strategic Affairs*, vol. 33, issue 3, December 2011, pp.348-369; Ralf Emmers, "The Prospects for Managing and Resolving Conflict in the South China Sea", *Harvard Asia Quarterly*, vol. 12, issue 3/4, 2010, pp.13-17.

Figure 5: Sovereignty Claims in the South China Sea



Source: Annual Report to Congress: Military and Security Developments Involving the People's Republic of China, Office of the Secretary of Defense, May 2012, p. 37, [http://www.defense.gov/pubs/pdfs/2012_CMPR_Final.pdf]

China has approached the South China Sea dispute through the combination of an inflexible definition of territorial sovereignty, based on historical rights to claimed areas, and pragmatic participation in multitrack frameworks, with an agreement on a non-binding code of conduct.²⁷¹ China's Ambassador to the Philippines, Wang Ying-fan, expressed China's willingness to shelve the dispute and resolve it at a later date through gradual negotiations.²⁷² In discussions with fellow ASEAN6 members, Indonesia proposed the South China Sea Workshop initiative, a Track II gathering only for ASEAN government officials in their personal capacities,

²⁷¹ Liselotte Odgaard, *The Balance of Power in Asia-Pacific Security: US-China policies on regional order*, London and New York: Routledge, 2007, pp. 90-93.

²⁷² Wang Lanying, "Avoid conflicts, make joint efforts for development-Wang Yingfan, Director of Asian Affairs Department of the Foreign Ministry, on the seminar on the South Sea issue", *Liaowang*, August 1991, pp. 13-15; John W. Garver, "China's Push through the South China Sea: The Interaction of Bureaucratic and National Interests", *The China Quarterly*, no.132, December 1992.

technical experts and academics. This initiative was supported by Malaysia. However, non-claimant ASEAN6 member states, Singapore and Thailand, pressured Jakarta to open up the forum to involve external parties, in order to disperse tensions created by the perception that this 'ASEAN only' framework was too exclusive, and therefore would not contribute adequately to a constructive regional dialogue. As a consequence, in 1991, China, Laos and Vietnam joined this workshop.²⁷³

All parties agreed that the mandate of the South China Sea Workshop would not be one of conflict resolution, but rather a discussion forum to preserve opportunities for claimants to negotiate their bilateral deals with fellow claimant parties. Singapore did not want to create diplomatic tensions with Beijing, considering it had established diplomatic relations only the previous year. The purpose of the Workshop was therefore to discuss areas of co-operative marine management and build political willingness to resolve thereby promote a political environment more agreeable to resolving jurisdictional conflicts.²⁷⁴

Despite these efforts, on 25 February 1992 China passed a Law on the Territorial Sea and the Contiguous Zone of the People's Republic of China in the National People's Congress. As stated in Article 3 of the Law:

The land territory of the People's Republic of China includes the mainland of the People's Republic of China and its coastal islands; Taiwan and all islands appertaining there to including the Diaoyu Islands; the Penghu Islands; the Dongsha Islands; the Xisha Islands; the Zhongsha Islands

²⁷³ Hasjim Djalal, "Indonesia and the South China Sea Initiative", *Ocean Development & International Law*, vol.32, issue 2, 2001.

²⁷⁴ The role of elite interactions within informal South China Sea workshops is analyzed in Mikael Weissmann, "The South China Sea Conflict and Sino-ASEAN Relations: A study in conflict prevention and peace building", *Asian Perspective*, vol.34, no.3, 2010, pp.35-69; Hasjim Djalal, "Preventive Diplomacy and the South China Sea", in *the Next Stage: Preventive Diplomacy and Security Cooperation in the Asia-Pacific Region*, ed. Desmond Ball and Amitav Acharya, Canberra: ANU, Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, 1999.

and the Nansha Islands; as well as all the other islands belonging to the People's Republic of China.²⁷⁵

This was a strategic manoeuvre on China's behalf to formalize its claims. In response to this assertive move, ASEAN issued the *ASEAN Declaration on the South China Sea* in July 1992, a so-called Manilla Declaration, and outlined the norms of regional conduct in this matter. The Association did not seek a resolution to these disputes, as not all ASEAN6 members were involved (Singapore, Indonesia, Thailand) and previously the issue was mainly viewed as China-Vietnam conflict. However, in the light of China's 1992 Law on the Territorial Sea and the Contiguous Zone, the member states shared an intensified understanding that there should be a peaceful resolution and avoidance of the use of force.²⁷⁶ The ASEAN foreign ministers approached the Chinese foreign minister, Qian Qichen, who was attending as a guest, to sign this declaration, but he refused to sign it, explaining that the leadership in Beijing was not going to sign a document the drafting of which had not involved Chinese diplomats. He, however, reassured the ASEAN delegates that China adhered to the declaration's principles.²⁷⁷ Following these Chinese reassurances, a climate of cooperative engagement prevailed. These regional events encouraged further dialogue with regard to jurisdictions and rights over ocean areas.

China's occupation of the Mischief Reef, a small atoll near Palawan Island and within the Philippines' claimed 200-nautical mile exclusive economic zone (EEZ), in January 1995, was a turning point in Beijing's apparent acceptance of regional

²⁷⁵ The Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone, adopted at the 24th Meeting of the Standing Committee of the Seventh National People's Congress on 25 February 1992, [http://www.fdi.gov.cn/pub/FDI_EN/Laws/GeneralLawsandRegulations/BasicLaws/P020060620318668126917.pdf]

²⁷⁶ ASEAN Declaration on the South China Sea, Manilla, 22 July 1992, [<http://cil.nus.edu.sg/rp/pdf/1992%20ASEAN%20Declaration%20on%20the%20South%20China%20Sea-pdf.pdf>]

²⁷⁷ Rodolfo C. Severino, "ASEAN and the South China Sea", *Security Challenges*, vol. 6, no. 2, Winter 2010, p.42.

rules of conduct. This incident occurred a year after Foreign Minister Qian Qichen rejected the use of force as a means of dealing with the South China Sea dispute during the ARF's first meeting in July 1994.²⁷⁸ A novelty factor was also that China engaged in an incident with an ASEAN member state, while previously it acted more assertively towards Vietnam, who was not a member of ASEAN.²⁷⁹

Filipino fishermen alerted authorities about a steel structure holding a Chinese concrete construction and a parabolic antenna.²⁸⁰ This move was condemned by Filipino President Fidel Ramos who accused China of violating the 1992 ASEAN Declaration on the South China Sea.²⁸¹ A military response to this incident was not viable. The Armed Forces of the Philippines would not have been able to challenge China's People's Liberation Army Navy. Therefore, President Ramos urged the ASEAN members to draft a statement, in which the foreign ministers urged:

. . . all concerned to remain faithful to the letter and spirit of the Manila Declaration on the South China Sea which we issued in July 1992 and which has been endorsed by other countries and the Non-Aligned Movement. The Manila Declaration urges all concerned to resolve differences in the South China Sea by peaceful means and to refrain from taking actions that de-stabilize the situation. We call upon all parties to refrain from taking actions that destabilize the region and further threaten the peace and security of the South China Sea. We specifically call for the early resolution of the problems caused by recent developments in Mischief Reef.

We urge countries in the region to undertake cooperative activities which increase trust and confidence and promote stability in the area. We encourage all claimants and other countries in Southeast Asia to address the issue in various fora, including the Indonesia-sponsored Workshop Series on Managing Potential Conflicts in the South China Sea.²⁸²

²⁷⁸ Allen S. Whiting, "ASEAN Eyes China: The Security Dimension", *Asian Survey*, vol.37, no.4, April 1997, p.301.

²⁷⁹ Mark J. Valencia, *China and the South China Sea Disputes*, Adelphi Paper no.298, Oxford: Oxford University Press, 1995, pp.6-7.

²⁸⁰ China built a five-storey, fortified concrete building that it maintained as a shelter for fishermen by 1999. There are two platforms that can accommodate vessels up to 40-feet long, a helicopter landing pad and parabolic antennas. Christopher C. Joyner, "The Spratly Islands Dispute in the South China Sea: Problems, Policies, and Prospects for Diplomatic Accommodation", in *Investigating Confidence Building Measures on the Asia Pacific Region*, ed. Ranjeet Singh, Washington, D.C.: The Henry L. Stimson Center, 1999.

²⁸¹ "Ramos: Sinos occupying RP reef in Spratlys", *Philippine Daily Inquirer*, 9 February 1995.

²⁸² "Statement by the ASEAN Foreign Ministers on the Recent Developments in the South China Sea, 18 March 1995", [<http://www.asean.org/2554.html>]; Severino 2010 pp.42-43, [<http://www.securitychallenges.org.au/ArticlePDFs/vol6no2Severino.pdf>].

ASEAN demonstrated the unity of its disapproval with China's actions at Mischief reef. This coordination of policies and restatement of norms showed that ASEAN was able to act as a diplomatic entity; however, it does not demonstrate that ASEAN was acting as a 'community'; the member states did not express their support for the Philippines' claims in this incident. China was surprised to see this unprecedented public disapproval from ASEAN. In support of China's negotiation style, Beijing did not wish to resolve the issue in an open multilateral forum, rather by bilateral informal negotiations.²⁸³ Under external pressure though, China agreed to conduct an annual consultation on political and security issues in the 'Senior Officials Conference'. While the ARF was the main 'international' soft balancing tool for ASEAN to constrain China's behavior, the Senior Officials Conference became a mechanism for 'inclusive balancing' and facilitated practical negotiations over the South China Sea issue.²⁸⁴

ASEAN's collective response was again tested in March 1997 when China decided to locate an oil rig in waters claimed by Vietnam (which joined ASEAN in July 1995). ASEAN showed solidarity with Vietnam and prepared a joint position for the upcoming Senior Officials Conference in April 1997. In this particular instance, the ASEAN member states not only adhered to their shared meaning of structure (declarations of codes of acceptable conduct) and restated their commitment to regional norm compliance; they also identified with ASEAN and generated a

²⁸³ The contrast in preferred approach to dispute resolution and negotiation styles between China and the Philippines is covered in Aileen S.P. Baviera, "Bilateral Confidence Building with China in Relation to the South China Seas Dispute: A Philippine Perspective", Prepared for the International Security Research and Outreach Programme International Security Bureau, Department of Foreign Affairs, Canada, February 2001, p.22, [<http://www.international.gc.ca/arms-armes/assets/pdfs/baviera2001.pdf>].

²⁸⁴ Kai He, "Institutional Balancing and International Relations Theory: Economic Interdependence and Balance of Power Strategies in Southeast Asia", *European Journal of International Relations*, vol.14, no.3, 2008, pp.497-505; Dominik Heller, "The Relevance of the ASEAN Regional Forum for Regional Security in the Asia-Pacific", *Contemporary Southeast Asia*, vol.27, no.1, 2005, pp. 123-145.

strong sense of “we-ness”.²⁸⁵ China decided to withdraw the rig, in light of this collective opposition from ASEAN6. This was a successful case of ASEAN using the soft-balancing strategy when challenged by China’s assertive behavior in the region.

After 1996, China showed a more proactive approach to regional diplomacy and security, demonstrated by its New Security Concept. This called for ending the ‘Cold War mentality’ and dismantling military alliances, asserted that conflicts between states should be dealt with peacefully, and states should work towards common security through multilateral cooperation and economic integration.²⁸⁶ China had an opportunity to contribute towards regional economic development during the 1997 Asian Financial Crisis, which destabilized all ASEAN member states (though less so Malaysia, which instituted currency controls). China provided economic and medical aid to its neighbors and decided not to devalue the yuan. Retaining the value of the yuan disadvantaged China’s exports; however, it did not lead to further currency devaluations in Southeast Asia.²⁸⁷ During this time, ASEAN member states tried to negotiate a multilateral code of conduct in the South China Sea with China (proposed by the Philippines in April 1999), but due to dependence on China’s economic aid and China’s opposition toward this document, the initiative was delayed.²⁸⁸

²⁸⁵ Tobias Nischalke, “Does ASEAN measure up? Post-Cold War diplomacy and the idea of regional community”, *The Pacific Review*, vol.15, no.1, 2002, p.104.

²⁸⁶ “China’s Position Paper on the New Security Concept”, 31 July 2002, [<http://www.mfa.gov.cn/eng/wjb/zzjg/gjs/gjzzyhy/2612/2614/t15319.htm>].

²⁸⁷ Ian Storey, *Southeast Asia and the Rise of China: the search for security*, New York, NY: Routledge, 2011, pp.56-59; Tobias Nischalke, “Does ASEAN measure up? Post-Cold War diplomacy and the idea of regional community”, *The Pacific Review*, vol.15, no.1, 2002, p.104.

²⁸⁷ “China’s Position Paper on the New Security Concept”, 31 July 2002, [<http://www.mfa.gov.cn/eng/wjb/zzjg/gjs/gjzzyhy/2612/2614/t15319.htm>].

²⁸⁷ Ian Storey, *Southeast Asia and the Rise of China: the search for security*, New York, NY: Routledge, 2011, pp.56-59.

²⁸⁸ Carlyle A. Thayer, “China-ASEAN: Tensions Promote Discussions on a Code of Conduct”, *Pacific Forum*, CSIS, *Comparative Connections*, vol.1, no.1, July 1999, p.37.

The later signing of the *Declaration of the Conduct of Parties in the South China Sea* (DOC) in 2002 was a step forward in that it emphasized peaceful resolution of disputes ‘without resorting to the threat or use of force’, and a commitment to further develop cooperation, trust and confidence among the parties.²⁸⁹ However, even through 2011-2012 there has been no comprehensive agreement on how this declaration should be developed beyond confidence building measures into binding principles, nor as to whether it should be the basis of a dispute resolution mechanism with verification or compliance procedures, of which PRC remains cautious.²⁹⁰ As a result, recent tensions in the South China Sea have moved into a more abrasive pattern of diplomacy that has not been resolved in the ARF, the East Asian Summit (EAS), or other fora.²⁹¹

Conclusion

This chapter investigated ASEAN’s soft balancing toward China. ASEAN’s approach was assessed from the perspective of ASEAN6 (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei), with a special focus on the period 1990-1997. During this early period the ASEAN6 developed diplomatic relations with China and managed to engage Beijing in various Track I and Track II security mechanisms. China was initially a passive participant and used these frameworks to contest the China threat theory. It was not willing, however, to compromise its

²⁸⁹ See ASEAN “2002 Declaration on the Conduct of Parties in the South China Sea”, Adopted by the Foreign Ministers of ASEAN and the People’s Republic of China at the 8th ASEAN Summit in Phnom Penh, Cambodia on 4 November 2002,

[<http://cil.nus.edu.sg/rp/pdf/2002%20Declaration%20on%20the%20Conduct%20of%20Parties%20in%20the%20South%20China%20Sea-pdf.pdf>].

²⁹⁰ Sanae Suzuki, “Conflict Among ASEAN Members Over the South China Sea Issue”, IDE-JETRI, Column, September 2012 [http://www.ide.go.jp/English/Research/Region/Asia/201209_suzuki.html]; David Rosenberg, “Governing the South China Sea: From Freedom of the Seas to Ocean Enclosure Movements”, *Harvard Asia Quarterly*, vol. 12, issue 3/4, 2010, Winter, pp.4-12.

²⁹¹ Sam Bateman suggests creating a ‘cooperative mechanism regime’ comprised of all bordering countries in which the U.S. should contribute with its experience in oceans management rather than increased military presence. See; Sam Bateman, “Increasing competition in the South China Sea – Need for a new game plan”, RSIS Commentary, no. 152, Singapore, 21 August 2012, [<http://www.rsis.edu.sg/publications/Perspective/RSIS1572012.pdf>].

national interests in the South China Sea and only gradually adhered to shared regional norms and codes of conduct. ASEAN used an institutional form of soft balancing when it brought China into regular meetings about common security issues. Nonetheless, this soft balancing strategy has its limitations in light of China's lukewarm compliance with regional norms such as 'non-aggression', as was demonstrated during the 1995 Mischief Reef incident and the 1997 Vietnam oil rig incident. ASEAN's external pressure managed to integrate China into multilateral forums and provided a basis for more stable and predictable inter-state relations under the guidance of these multilateral frameworks, even though specific sovereignty disputes in the South China Sea were not resolved. The 1990s provided China with a constructive learning experience, which Beijing utilized in its proactive engagement in Central Asia, where it co-founded the Shanghai Cooperation Organization (SCO) in 2001. China's use of the SCO to soft balance the U.S. presence in Central Asia is analyzed in the following chapter.

CHAPTER FIVE: The SCO's Soft Balancing Strategy

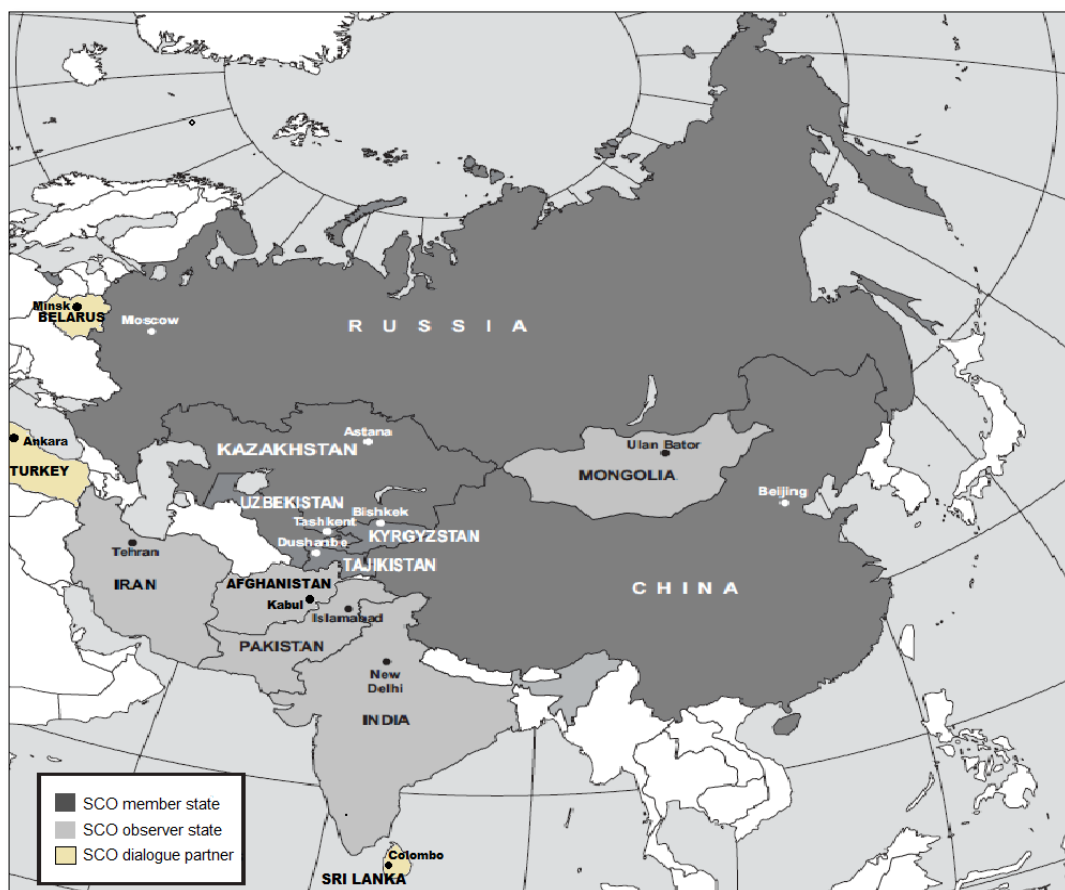
The purpose of this chapter is to explain the dynamics of the regional cooperation of China and Russia with the four Central Asian states:²⁹² Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, within the framework of the Shanghai Cooperation Organization (SCO) and the SCO's response to the U.S. presence in Central Asia since 2001. This sets the context for the analysis of soft balancing and its mechanisms as possible strategies in the evolving organization. The conclusion is that the SCO was not established as an anti-U.S./anti-NATO organization. However, its agenda and direction have been influenced by the extended U.S. presence in the region, to the point that demands were made for the U.S. to set a deadline for its withdrawal of the troops based in the region.²⁹³ The SCO can also be seen as using the indirect mechanism of reducing long-term U.S. regional influence through the application of the "Shanghai Spirit", a term employed by SCO to designate a set of regional norms underpinned by respect for state

²⁹² This thesis refers to Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan as 'the Stans'. It does not include Turkmenistan in this chapter, which is part of Central Asia, but it is not an SCO member state. Turkmenistan officially declared permanent neutrality, which was recognized by the UN General Assembly on 12 December 1995, [<http://www.un.org/documents/ga/res/50/a50r080.htm>]; "Turkmenistan celebrates 20th anniversary of membership in the UN", Press Release, The Embassy of Turkmenistan in the United Kingdom of Great Britain and Northern Ireland, 27 February 2012, [http://turkmenembassy.org.uk/news/press_release_UN_2012.pdf]; Turkmen President Berdimuhamedov has recently claimed an intensified cooperation with the CIS and the SCO, "Turkmenistan is intensifying its participation in the CIS and SCO", *BakuToday.Net*, 8 January 2012, [http://www.bakutoday.net/turkmenistan-is-intensifying-its-participation-in-the-cis-and-sco.html?goback=%2Egmp_4037394%2Egde_4037394_member_88708506]; "Leaders of CIS anti-terrorist units agree to coordinate act", *Trend.az*, 15 March 2012, [<http://en.trend.az/regions/casia/kyrgyzstan/2004072.html>]; "President of Turkmenistan Gurbanguly Berdimuhamedov addresses the meeting of the Council of the CIS Foreign Ministers in Ashgabat", The Embassy of Turkmenistan in the United Kingdom of Great Britain and Northern Ireland, April 2009, [http://turkmenembassy.org.uk/conferences/Council_of_the_CIS_Foreign_Ministers_in_Ashgabat.pdf].

²⁹³ This external presence only began to wind down as commitments in Afghanistan were reduced. The members of NATO agreed to conclude the NATO-led International Security Assistance Force in Afghanistan by the end of 2014 during the Chicago NATO summit on 20-21 May 2012. *Chicago Summit Declaration on Afghanistan*, NATO Official Website, [http://www.nato.int/cps/en/SID-700332BF-FD4C6CC5/natolive/official_texts_87595.htm?].

sovereignty and non-interference in domestic affairs.²⁹⁴ Unlike the U.S. or EU approaches, SCO members are reticent to comment on governance of SCO member states. They believe that their relationships should not be strictly defined, but rather evolve from consultations and with the goal of achieving common development.²⁹⁵ The SCO has seen ASEAN spreading its own regional norms as an inspiration.²⁹⁶ These organizations aspire to a continued increase of their presence in global politics as a viable alternative to the U.S. dominated international system.

Figure 6: Map of member and observer states and dialogue partners of the Shanghai Cooperation Organization



Source: SIPRI 2007, adapted and updated by Alica Kizeková, December 2012.

²⁹⁴ “Press Conference by Secretary-General Zhang Deguang on the Eve of the Fifth Anniversary Summit of the SCO”, 6 June 2006, [www.sectsc.org/html/01006.html].

²⁹⁵ “Declaration of Heads of Member States of Shanghai Cooperation Organization”, 5 July 2005, [www.sectsc.org/html/00500.html].

²⁹⁶ “Interview by Secretary-General Zhang Deguang to Chinese Magazine ‘Zhonghuayingcai’”, 25 May 2005, [www.sectsc.org/html/00468.html].

Relations and interests in Central Asia have primarily been explored from the perspective of the interactions of the newly established Central Asian states and great powers extending regional influence. Often, modern geopolitics in this region has been viewed as the New Great Game.²⁹⁷ This refers to the competition for gas and oil between the great powers in Central Asia and the South Caucasus.²⁹⁸ This chapter does not endeavor to explain the relations through the New Great Game concept, as it is misleading. The smaller Central Asian states are no longer victims of ‘imperial powers’, as was the case during the competition between the British and Russian empires of the original Great Game in the 19th century. Not only are states in Central Asia and the South Caucasus independent actors, which have their own interests and often use multi-vectoral foreign policies to balance the major external players, but, there is now another layer of cooperation through multilateral organizations, which promotes the concepts of mutual benefit, rather than the zero-sum game of imperial competition.²⁹⁹

This chapter is divided into three main parts: 1) the strategic architecture of post-Cold war Central Asia, 2) the Shanghai Five processes and the SCO and 3) the SCO’s soft balancing strategy. It is important to outline the origins of the SCO, especially the contributions of the Shanghai Five processes, which laid the institutional and ideological foundations of the organization. The purpose of this part is to point out the main agreements on confidence-building measures (CBMs)

²⁹⁷ Zbigniew K. Brzezinski, *the Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, New York, NY: Basic Books, 1997; Alexander Cooley, “The New Great Game in Central Asia: Geopolitics in a Post-Western World”, *Foreign Affairs*, 7 August 2012, [<http://www.foreignaffairs.com/articles/137813/alexander-cooley/the-new-great-game-in-central-asia>]; “Foreign Affairs Focus: The New Great Game in Central Asia”, Interview with Alexander Cooley by Jonathan D. Tepperman, 4 September 2012, [<http://www.foreignaffairs.com/discussions/audio-video/foreign-affairs-focus-the-new-great-game-in-central-asia-with-all>].

²⁹⁸ Armenia, Azerbaijan, Georgia (inclusive of disputed Abkhazia and South Ossetia)

²⁹⁹ The differences between the ‘original’ and the ‘new’ Great Games have been analyzed in more detail in Matthew Edwards, “The New Great Game and the new great gamers: disciplines of Kipling and Mackinder”, *Central Asian Survey* 22:1, March 2003, pp.83-102.

among the states and evolution of the agenda from border security discussions to non-security areas. Positive outcomes of CBMs contribute towards a more successful application of soft balancing because these processes increase mutual trust and contribute towards shared understanding of external threats to regional security.

The Five CBMs are identified and assessed according to the following measures: communication, transparency, constraint, verification and declaratory.³⁰⁰ The aim of this section is not to point out the limitations of the Shanghai Five meetings, although there will be a brief assessment of how the strategic cultures of the two great powers, Russia and China, have influenced the fulfilment of the transparency and verification of CBMs. More importantly, it is necessary to examine which measures and procedures the selected states adopted to increase their mutual trust. These processes gradually shifted from bilateral to multilateral. The last part of this chapter deals with the SCO and outlines the areas of cooperation. It is argued that the framework has succeeded in constraining U.S. operability in the region, in part through soft balancing mechanisms. This has been achieved through territorial denial and the promotion of norms such as the “Shanghai Spirit”, which undermine the spread of Western-style democracy, and reinforce the regime security of all member states. Attention is given to U.S. policies in Central Asia and its view of

³⁰⁰ These categories of CBMs can be found in James Mackintosh. “Confidence- and Security Building Measures: A Sceptical Look”, Australian National University, Peace Research Centre, Canberra, 1990, pp. 9-10.

Mackintosh suggests following descriptions of the CMBs: communication (information) and transparency CMBs include: publication of defense information and budgets, exchange of information, hot lines, joint crisis control centers, advance notification of force movements, exercises and mobilization and mandatory invitations of observers; constraint measure and verification measures include on-site inspections, no harassing activities which contribute to tension reduction, no threatening deployment in sensitive border and air areas and respect for nuclear free zones. Finally, declaratory measures relate to full compliance with non-first use of force agreements and non-first use of nuclear weapons.

the SCO's nature and role. This then sets the scene for assessing soft balancing in Central Asia.

The Strategic Architecture of Post-Cold War Central Asia

With the collapse of the Soviet Union in December 1991, the Central Asian republics became independent but lacked coherence as a regional entity: they had no shared identity; they did not generate a unified response to common security challenges (such as corruption, crime, and terrorism); and they lacked commitment to democratic and economic reforms.³⁰¹ In the post-Cold War period of 1991-1996, the region was comparatively underdeveloped and lacked incentive for democratic and economic reforms that would bring these states closer to the West. Kazakhstan and Kyrgyzstan were two exceptions. Kazakhstan, which possesses significant gas and coal reserves, and accounts for the second largest oil reserves and production among the former Soviet republics after Russia, has attracted the leading Western gas and oil industries.³⁰² In 1993 it launched a joint Kazakh-U.S. 40-year venture on the Tengiz oil field, one of the greatest petrochemical finds.³⁰³ Yet investors have encountered difficulties operating in a country gravely affected by corruption.³⁰⁴ Kyrgyzstan embraced the macroeconomic reforms suggested by the International Monetary Fund (IMF) and the World Bank, with the development to its own currency as early as 1993. The country was at first seen as a successful

³⁰¹ Jim Nichol, *Central Asia's Security: Issues and Implications for U.S. Interests*, CRS Report for Congress, updated 7 January 2005.

³⁰² Kazakhstan Energy Data, Statistics and Analysis - Oil, Gas, Electricity, Coal, Country Analysis Brief, Energy Information Administration, updated November 2010, [<http://www.eia.gov/EMEUCabs/Kazakhstan/pdf.pdf>].

³⁰³ The Tengizchevroil joint venture: 50% Chevron Texaco (U.S.), 20% Kazakhoil (Kazmunaigaz – KMG – as of 2002), 25% ExxonMobil (U.S.), 5% Lukoil (currently LukArco, Russia), with an estimated cost of \$20 billion, Ibid. pp. 2-3.

³⁰⁴ Survey of Public Opinion in Kazakhstan and respondents from the country-by-country survey conducted by the European Bank for Reconstruction and Development (EBRD) in 1997 reported widespread and serious cases of corruption in civil service and business transactions, where “additional payments” were required to “get things done”. “Kazakhstan”, Freedom House Report, 1998, p.19, [http://www.freedomhouse.eu/images/fdh_galleries/NIT98/kazakh98.pdf].

transition to democratic institutions, an image that would be tarnished by ethnic tensions and a growing concentration of power around the presidency.³⁰⁵

Economic transition was continuously sabotaged by President Askar Akayev, his family and close associates' enrichment in the face of the increased poverty of majority of Kyrgyz public.³⁰⁶

Uzbekistan initially joined the IMF stabilization program, but the IMF suspended a \$185 million standby loan in December 1996, in view of the Uzbek leadership's heavy interference in economic reforms. The government imposed restrictions on foreign exchanges and caused major problems for foreign companies in the country.³⁰⁷ Tashkent generated income from the export of cotton, the sale of gold, and the growing export of oil and gas, which allowed the country to become less dependent on foreign assets, though rural poverty would require later support from the World Bank, the Asian Development Bank and other international agencies.³⁰⁸

Tajikistan, the poorest and weakest of these states, lacked full control over its country and was completely dependent on help from the international community, especially Russia and the Commonwealth of Independent States (CIS). Efforts to transform the economy were, however, disrupted by the prevalent drug trade coming from Afghanistan, which also undermined improvements to the Kyrgyz economy, due to serious cases of cross-border criminal activity and corruption.³⁰⁹

³⁰⁵ See: John Anderson, *Kyrgyzstan: Central Asia's Island of Democracy*, Amsterdam: Harwood Publishers, 1999.

³⁰⁶ Rafis Abazov, Nations in Transit 2003: Country Report of Kyrgyz Republic, United Nations, [<http://unpan1.un.org/intradoc/groups/public/documents/nispacee/unpan012423.pdf>].

³⁰⁷ Neil J. Melvin, *Uzbekistan: Transition to Authoritarianism on the Silk Road*, Amsterdam: Harwood Academic, 2000, pp. 71-72.

³⁰⁸ Asian Development Bank, "Asian Development Bank and Uzbekistan", *ADB Fact Sheet*, 31 December 2011 [<http://www.adb.org/sites/default/files/pub/2012/UZB.pdf>]; Reuel R. Hanks "Emerging Spatial Patterns of the Demographics, Labour Force and FDI in Uzbekistan", *Central Asian Survey*, vol. 19, no. 3-4, September-December 2000, pp.351-367; IMF "Report of Uzbekistan Interim Poverty Reduction Strategy Paper", *IMF Country Report*, no. 5/160, May 2005 [Access via www.imf.org].

³⁰⁹ Martha Brill Olcott, *Central Asia's Second Chance*, Carnegie Endowment for International Peace, August 2005, p.23.

These problems with restructuring economies have continued and the entrenched authoritarian leaderships of these countries have presided over weak rule of law, government mismanagement and poor corporate governance.³¹⁰

In this setting, the leaders of individual states have been more focused on individual nation building and preservation of their priorities. Despite the frequently declared need to work together to tackle common problems and deal with shared threats, they have been unable to set up effective intra-regional structures due to incompatible national interests and comparatively weak governance.³¹¹ Moreover, none is comfortable with a possible transfer of power towards a supranational regional body, similar to the EU. Not capable of agreeing on an alternative (such as early ideas of a widely based Eurasian Union),³¹² the Stans accommodated and joined a Russian-sponsored regionalism through memberships in CIS structures and engaged in limited cooperation with the U.S. and NATO.³¹³ These multilateral frameworks allowed Russia and the U.S. to influence the strategic environment of Central Asia during the first decade after the end of the Cold War.

³¹⁰ See Nations in Transit 2011 Report, Freedom House,

[<http://www.freedomhouse.org/template.cfm?page=678>]; The 2012 Nations in Transit Report described Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan as a 'consolidated authoritarian regime',

[<http://www.freedomhouse.org/report/nations-transit/2012/kazakhstan>]. See further Martha Brill Ocott, "The 'Stans' at 20", *Real Instituto Elcano*, 28 December 2011, [<http://carnegie.ru/publications/?fa=46397#>]

³¹¹ Roy Allison, "Virtual regionalism, regional structures and regime security in Central Asia", *Central Asian Survey* 27, no. 2, June 2008, pp.185–202; Stina S. Torjesen, *Understanding regional co-operation in Central Asia, 1991–2004*, DPhil Dissertation, Oxford: University of Oxford, 2008.

³¹² Nazarbaev's Eurasian Union project, debated through 1994–1995, needs to be distinguished from later Russian models based on economic cooperation. See; Vitaly Portnikov, "Nazarbayev, Yeltsin Agree on Lease of Baikonur: A Eurasian Union, Nazarbayev-Style", *The Current Digest of the Post-Soviet Press* 46, no. 13, 1994, pp.9–11; BBC "Nazarbayev Submits Eurasian Union Plan to UN", *BBC Monitoring Service - USSR*, 9 July 1994; BBC "Uzbek President Again Rejects the Idea of Eurasian Union", *BBC Monitoring Service - USSR*, 11 February, 1995; James Kilner, "Kazakhstan welcomes Putin's Eurasian Union concept", *The Telegraph*, 15 December 2012

[<http://www.telegraph.co.uk/news/worldnews/asia/kazakhstan/8808500/Kazakhstan-welcomes-Putins-Eurasian-Union-concept.html>]. Other early regional groupings, such as the Economic Cooperation Organization (ECO), the Black Sea Economic Cooperation (BSEC) group and the Central Asia Cooperation Organization (CACO) were largely inter-government and did not include a wide Eurasian footprint.

³¹³ Assessment of the CIS and its failure of interstate cooperation can be found in *Getting it wrong: regional cooperation and the Commonwealth of Independent States*, ed. Martha. B. Olcott, A. Aslund and S. W. Garnett, Washington, DC: Carnegie Endowment for International Peace, 1999.

Additionally, with the establishment of the SCO, China has increased its presence and has gradually had a growing impact on regional development. According to Roy Allison, the Stans express their political solidarity through the SCO which has become a macro-regional entity that promotes the indivisibility of national sovereignty and freedom from external, mainly Western, models and values. They accepted a form of “protective integration” as a response to pressures on their domestic and regional agendas.³¹⁴ Regime security has thereby been partly maintained in the face of external pressures seeking greater democratization and liberalization.

Russia’s selective multilateralism

For all presidents after the Cold War, Boris Yeltsin, Vladimir Putin and Dmitry Medvedev, preserving Russia’s influence in the former Soviet republics remained a top priority. Despite its pro-European, pro-Western orientation and declining position in Central Asia in the early 1990s, Russia retained elements of regional hegemony and maintains active engagement in regional structures. These frameworks are mainly utilized to stabilize Russia’s borders in the south, maintain economic and resource access, and build up its international standing.

On a global level, Russia supports a collective leadership of major powers with the aim of creating a multipolar world³¹⁵ or polycentric system of international relations.³¹⁶ Russia’s *Foreign Policy Concept* at the turn of the century argued that:

There is a growing trend towards the establishment of a unipolar structure of the world with the economic and power domination of the United States.

³¹⁴ Roy Allison, “Virtual regionalism, regional structures and regime security in Central Asia”, *Central Asian Survey* 27, no. 2, June 2008, pp.185–202.

³¹⁵ An overview on Russian arguments for multipolarity can be found in Martin A. Smith, “The Russian Multipolarity Debates”, *Power in the Changing Global Order*, Cambridge: Polity Press, 2012, pp. 131-147.

³¹⁶ “The Executive Order on measures to implement foreign policy“, The Official Website of the President of Russia, 7 May 2012, [<http://eng.news.kremlin.ru/acts/3764/print>].

In solving principal questions of international security, the stakes are being placed on western institutions and forums of limited composition, and on weakening the role of the U.N. Security Council.

The strategy of unilateral actions can destabilize the international situation, provoke tensions and the arms race, and aggravate interstate contradictions; national and religious strife...Russia shall seek to achieve a multi-polar system of international relations that really reflects the diversity of the modern world with its great variety of interests.³¹⁷

However, in response to failed attempts to stop interventions in Iraq and Kosovo in 1998 and 1999, Russia chose a selective approach to multilateralism³¹⁸ and it has acted reluctantly to impose sanctions or support interventions within the United Nations Security Council (UNSC). In order to maintain its elevated position of the permanent veto power within the UNSC, it has mainly supported discussing non-controversial issues and promotion of respect for territorial sovereignty and non-interference in states' domestic affairs.³¹⁹

This selective approach is also present at the regional level. In Central Asia, Russia's interests are compelling and complex. In 1991, the majority of political elites³²⁰ in Russia believed that Central Asia was a burden on Russia's resources due to subsidies, a sentiment which was clearly articulated in the first Central Asian strategy. The idea was to withdraw from the region quickly but continue

³¹⁷ The Foreign Policy Concept of the Russian Federation, approved by Vladimir Putin, President of the Russian Federation on 28 June 2000, *Federation of American Scientists (FAS)*, [\[http://www.fas.org/nuke/guide/russia/doctrine/econcept.html\]](http://www.fas.org/nuke/guide/russia/doctrine/econcept.html).

³¹⁸ It is understood that Russia prefers an 'effective multilateralism' or 'multilateral diplomacy' with a strong support for intergovernmental cooperation rather than supranational organizations, such as the EU, where states converge their policies through negotiations. This diplomacy rejects the unilateral leadership of a single state. Access to the Policy Review of the Russian Federation [\[http://www.mid.ru/brp_4.nsf/sps/3647DA97748A106BC32572AB002AC4DD#%D0%92%D0%92%D0%95%D0%94%D0%95%D0%9D%D0%98%D0%95\]](http://www.mid.ru/brp_4.nsf/sps/3647DA97748A106BC32572AB002AC4DD#%D0%92%D0%92%D0%95%D0%94%D0%95%D0%9D%D0%98%D0%95); Andrei Zagorski, "Multilateralism in Russian foreign policy approaches", in *The Multilateral dimension in Russian foreign policy*, ed. Elana Wilson Rowe and Stina Torjesen, London: Routledge, 2009, pp. 47-48.

³¹⁹ Ibid, pp. 46-57

³²⁰ The Russian foreign-policy elite is defined as "those actors who, by their occupation, have substantial potential to affect foreign policy, and have a high level of informed opinion due to their expertise and greater access to information" William Zimmerman, *The Russian People and Foreign Policy*. Oxford: Princeton University Press, 2002, p. 21. The foreign policy making under President Putin is increasingly centralized, views and statements from official government officials have to be taken in consideration. On Russian foreign policy actors, see Dmitri Trenin and Bobo Lo, *The Landscape of Russian Foreign Policy Decision-Making*, Moscow: Carnegie Moscow Centre, 2005, pp. 9-14; Paradorn Rangsimaporn, "Russian perceptions and policies in a multipolar East Asia under Yeltsin and Putin", *International Relations of the Asia-Pacific*, vol. 9, 2009, pp. 207-244.

trading with the Stans under more beneficial conditions for Russia. It would also maintain control over transport corridors, especially energy transportation.³²¹ In the 1990s, Moscow institutionalized its relationships with the Stans through the CIS, a loose mechanism for regional cooperation, which proved to be ineffective due to the lack of commitment from member states and Russia's dissatisfaction with returns for its financial contributions.³²²

Similar issues arose in the military sphere. For example, Russia's involvement in the Tajik civil war in 1992, when Moscow strengthened the 201st division of the former Soviet army by deploying well-trained units, led to fears of long-term entanglement. At the time, Russia was highly concerned with drugs and arms trafficking from Afghanistan, where the Islamic groups were organizing military attacks in border areas. In order to protect the surrounding countries from these incidents, the CIS members signed the "Tashkent Treaty", a Collective Security Treaty, in May 1992, in which they agreed to a military assistance provision where an attack against one state party would be considered as an attack on all state parties.³²³ As a result of public opposition in Russia after a Russian outpost was destroyed by a Tajik militia group coming from Afghanistan on 13 July 1993, Moscow argued for establishing a joint force that would provide collective security within the CIS space.³²⁴ However, the Russian army ended up dominating the collective peacemaking forces in Tajikistan and the Stans opted for independent

³²¹ Andrey A. Kazantsev, Russian Policy in Central Asia in 1991-2010: A Disappearing Power? EUI Working Papers, RSCAS 2010/59, pp. 9-10.

³²² Stephen Aris, Russia's Approach to Multilateral Cooperation in the Post-Soviet Space: CSTO, EurAsEC and SCO, *Russian Analytical Digest* 76, 15 April 2010, [<http://e-collection.library.ethz.ch/eserv/eth:1620/eth-1620-01.pdf>]

³²³ Article 4, The Treaty on Collective Security (Договор о коллективной безопасности), Tashkent, 15 May 1992, [<http://www.dkb.gov.ru/b/azbengl.html>].

³²⁴ Andrey A. Kazantsev, Russian Policy in Central Asia in 1991-2010: A Disappearing Power? EUI Working Papers, RSCAS 2010/59, p. 13.

security policies and creation of their own armies, which ultimately weakened this cooperation.

With Yeltsin's presidency coming to an end in the late 1990s, the Kremlin regularly restated its commitment to re-engage with the former Soviet republics. Both the 2002 National Security Concept and the Foreign Policy Concept highlighted the importance of the CIS area. The National Security Concept stated that an "outbreak and escalation of conflicts near the state border of the Russian Federation and the external borders of CIS member states" consisted of a major threat for the world community.³²⁵ Russia further institutionalized its economic and security relations through two organizations: the Eurasian Economic Community (EEC) in 2000 and the Collective Security Treaty Organization (CSTO) in 2002. The CSTO has had to operate in relation to other security organizations in the region, NATO and GU(U)AM,³²⁶ especially in the context of the U.S. engagement in Central Asia and South Caucasus. Additionally, these frameworks also need to find a way of cooperating with the SCO. Russia is the main supporter of the CSTO-SCO cooperation; the secretariats of the two organizations signed the Memorandum of Understanding (MOU) in October 2007.³²⁷ Despite sharing similar interests in enhancing regional security, this MOU is especially limited when it comes to outlining specific mechanisms which would prevent a possible duplication of tasks. Moreover, neither organization provided assistance when

³²⁵National Security Concept Of The Russian Federation, approved by Presidential Decree No. 24 of 10 January 2000, [<http://www.mid.ru/bdomp/ns-osndoc.nsf/1e5f0de28fe77fdcc32575d900298676/36aba64ac09f737fc32575d9002bbf31!OpenDocument>]

³²⁶ GU(U)AM – Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova, the official website at <http://guam-organization.org/en/node/422> ; the forum was established in 1997 as GUAM and was renamed to GUUAM once Uzbekistan joined the cooperation in 1999; in the aftermath of the Andijan Uprising, Uzbekistan delivered the official withdrawal from GUUAM and the forum was renamed to GUAM in 2005. The organization aims at creating transport and market corridors to the West. The U.S. actively supported its projects by providing financial assistance. See: S. Neil MacFarlane, 'The United States and regionalism in Central Asia', *International Affairs*, vol. 80, no. 3, 2004.

³²⁷The Memorandum of Understanding (MOU) between the SCO Secretariat and the Secretariat of CSTO, [МЕМОРАНДУМ о взаимопонимании между Секретариатом ШОС и Секретариатом ОДКБ], 5 October 2007, [<http://www.sectsco.org/RU123/show.asp?id=112>].

Kyrgyzstan requested help during the social and political crises of 2010. Both the SCO and CSTO conduct joint military exercises simulating responses to the overthrow of a government, yet they argue that intervening in an internal conflict in a member state would constitute meddling in a state's domestic affairs.³²⁸

After the terrorist attacks on the United States on 11 September 2001,³²⁹ President Putin supported the deployment of U.S. forces to Afghanistan and the use of military bases in Kyrgyzstan and Uzbekistan. However, during his second term, 2004-2008, Putin grew increasingly impatient with U.S. approaches to regional defense, especially with NATO's Eastern membership enlargement, and proposal to set up missile defense in the Czech Republic and Poland. His position was made clear during the Munich Summit in February 2007, when he called for the end of the unipolar world and demanded the U.S. leave the area.³³⁰

Russia has used a series of strategies to create a counterweight to the U.S. presence in Central Asia. Moscow has promoted the idea of a multipolar world, with various centers of power.³³¹ It used media and published scholarly works to explain its views. Foreign Minister Sergei Lavrov argued in an article written for the *Foreign Affairs* magazine that Russia was unjustly being encircled in its neighborhood and that the West was counterproductively undertaking a 'containment strategy'. The article was viewed as a response to Yuliya Tymoshenko's contribution "Containing

³²⁸ Yuliya Nikitina, "Regional Security Cooperation in the Post-Soviet Space", *Security Index: A Russian Journal on International Security* 17:4, 2011, pp. 47-48.

³²⁹ Hereafter, 9/11 or September 11.

³³⁰ Vladimir Putin, Speech at the 43rd Munich Conference on Security Policy, 10 February 2007, [http://www.securityconference.de/konferenzen/rede.php?menu_2007=&menu_konferenzen=&sprache=en&id=179&].

³³¹ Thomas Ambrosio argues that Russia's approach to multipolarity has been "defensive in nature" and the primary goal is "to resist American domination of the international system". Russia does not want to be viewed as a junior partner" and U.S. unilateral decisions should not affect Russia's security interests. Thomas Ambrosio, *Challenging America's Global Preeminence: Russia's Quest for Multipolarity*, Aldershot: Ashgate, 2005, p.5.

Russia” in the May/June 2007 *Foreign Affairs* issue.³³² Lavrov decided to withdraw his piece, arguing that his writing had been subjected to editorial censorship.³³³ Consequently, the Russian Foreign Ministry reposted it on its website,³³⁴ and multipolarity remains a key component of Russian strategic thinking.

Bilaterally, Russia has enhanced its energy cooperation with the former republics and reassured them of providing a security umbrella under the CSTO. Russia not only uses this organization to strengthen the interoperability between the armies of the SCO member states, but also hopes for the establishment of a regional Energy Club. This club would unify the energy market among the six SCO members and disadvantage the external powers when access and pricing of resources are negotiated. The SCO Business Council (Figure 8, p.164) has become a platform for discussions between government and businesses in relation to the SCO’s energy strategy and collaboration in joint projects.³³⁵

The United States’ pursuit of a regional strategy

The collapse of the Soviet Union caught the U.S. by surprise. Not having solid historical experience, economic or diplomatic ties with the Stans, its strategic interests in the early 1990s were shaped by the Cold War. Consequently, the immediate priority was to manage relations with Russia. The FREEDOM Support

³³² Yuliya Tymoshenko, “Containing Russia”, *Foreign Affairs*, May/June 2007,

[<http://www.foreignaffairs.com/articles/62613/yuliya-tymoshenko/containing-russia>].

³³³ “On an article by Foreign Minister Sergey V. Lavrov for the Foreign Affairs magazine”, The Ministry of Foreign Affairs of the Russian Federation”, 19 July 2007,

[http://www.mid.ru/brp_4.nsf/sps/BCFC98E7946709C0C325731D002238F51];

“Russia: 'Foreign Affairs' Editor Says Lavrov's Article Withdrawal A 'Surprise'”, *RFERL*, 21 July 2007, [<http://www.rferl.org/content/article/1077744.html>].

³³⁴ Sergei Lavrov, “Containing Russia: Back to the Future?”, The Ministry of Foreign Affairs of the Russian Federation, 19 July 2007, [http://www.mid.ru/brp_4.nsf/0/8F8005F0C5CA3710C325731D0022E2271]

³³⁵ “The Business Council of the Shanghai Cooperation Organisation”, *English.news.cn*, 28 April 2012, [http://www.scosummit2012.org/english/2012-04/28/c_131558680.htm]; Vitaliy Bushuev and Valeriy Pervuhin, “SCO energy club: what it should be?” *InfoSCO*, 13 March 2012, [<http://infoshos.ru/en/?idn=9616>]

Act,³³⁶ authorized by President George H. W. Bush on 1st April 1992, laid the groundwork for U.S. involvement in Central Asia. It called for “a once-in-a-century opportunity to help freedom take root and flourish in the lands of Russia and Eurasia”.³³⁷ The bill, which primarily targeted Russia, Ukraine, Armenia and the other states of the former Soviet Union, set out to provide financial assistance to dismantle nuclear weapons in the independent states of the former Soviet Union. However, this goal was broadened to supporting the creation of free market economies; enabling privatization and funding currency stabilization. It authorized \$410 million in U.S. bilateral assistance. By the time of signing, the U.S. had already disbursed 60% of the \$6.33 billion aid assistance pledged to the former Soviet Union for the years 1991-1993.³³⁸

Security cooperation has taken place primarily through NATO’s Partnership for Peace program,³³⁹ which enabled a focus on developing peacekeeping, disaster relief, regional and NATO interoperability. This cooperation led to the creation of a Central Asia Peacekeeping Battalion (CENTRASBAT).³⁴⁰ In September 1997, the CentrasBat-97 military exercise set out to test rapid-reaction response between the Kazakh-Kyrgyz-Uzbek joint battalion and the U.S. Army’s 82nd airborne division, in case of a UN-authorized peacekeeping mission in Central Asia under NATO’s operational command. Five hundred U.S. soldiers and 40 CentrasBat paratroopers secured Sairam airport near Chimkent in Kazakhstan against a hypothetical enemy. This was the longest-distance airborne operation in military history, when planes

³³⁶ FREEDOM Support Act, [<http://www.fas.org/nuke/control/ctr/docs/s2532.html>].

³³⁷ Bush’s Statement on Signing the Bill, [<http://www.presidency.ucsb.edu/ws/index.php?pid=21658#axzz1I93g4HLQI>].

³³⁸ FREEDOM SUPPORT ACT OF 1992 FACT SHEET, [<http://www.fas.org/spp/starwars/offdocs/b920401.htm>].

³³⁹ Membership in the Alliance’s Partnership for Peace program was offered and accepted by Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan in 1994, Tajikistan joined in 2002.

³⁴⁰ CENTRASBAT at GlobalSecurity.org, [<http://www.globalsecurity.org/military/ops/centrasbat.html>].

with paratroopers flew 12,500 kilometres (7600 miles) in 19 hours non-stop.³⁴¹ The exercise demonstrated that the U.S. was asserting its support for the independence of Central Asian states and its commitment to regional stability.

Even before September 11, the U.S. had declared its assistance for Central Asian anti-terrorism activities. The Uzbek government gained backing from the U.S., listing the Islamic Movement of Uzbekistan as a terrorist organization in 1999. In the same year, the Pentagon commissioned a report to assess the strategic importance of Central Eurasia. The main question addressed in this study was ‘Does the region matter’? Two years later the answer was delivered by the Atlantic Council of the United States and Central Asia-Caucasus Institute in the *Strategic Assessment of Central Eurasia*. This study, prepared for the Joint Chiefs of Staff and openly published in January 2001, identified Afghanistan as the primary security concern of the entire Caucasus-Central Asia zone. It proposed a ‘concert’ of all neighboring powers, including China, Pakistan, Russia, India, Iran and Turkey, as well as the U.S. and Japan, to consult regularly so as to heighten the region’s ability to secure its own defense and to limit external meddling and the conflicts which could thus arise. The authors admitted that the project’s findings were targeted at U.S. officials and not a “specialized scholarly community”, and therefore required “a certain degree of oversimplification” due to “the vast, complex and comparatively unfamiliar nature of the subject to Americans”.³⁴² Thus U.S. and NATO continued selective military cooperation with countries such as

³⁴¹ “Historic U.S.-led Military Exercise Begins”, The Jamestown Foundation Monitor, vol. 3, issue 172, 17 September 1997,

[http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=20022&tx_ttnews%5BbackPid%5D=211].

³⁴² Strategic Assessment of Central Eurasia, The Atlantic Council of the United States of America, p. vii, [http://www.acus.org/files/publication_pdfs/403/0101-Strategic_Assessment_Central_Eurasia.pdf].

Kazakhstan and Georgia, but on a limited scale which was not systemically conceptualized.³⁴³

With hindsight, it can be argued that over the past twenty years the U.S. has maintained a consistent but uncoordinated policy in Central Asia,³⁴⁴ concerned primarily with Russia, Afghanistan and Pakistan; energy politics; and democratization. The 2006 U.S. National Strategy concluded that “the five countries of Central Asia are distinct from one another and our relations with each, while important, will differ”.³⁴⁵ Thus, the U.S. Administration decided to approach the Stans individually through annual bilateral consultations. While Kazakhstan was repeatedly acknowledged as the “engine for growth”,³⁴⁶ and had shared the “deepest and broadest”³⁴⁷ relations with Washington, Uzbekistan, another regional contender, experienced a more volatile relationship with the U.S. It was criticized for its human rights violations and harsh suppression of the gathering in Andijan, which led to the eviction of U.S. troops from the K2 base in 2005. As a result, the Manas airbase in Kyrgyzstan has become more valuable for the U.S. as the principal base for the troops operating in Afghanistan. In an effort to renegotiate basing rights with the Bakiyev government, the U.S. had to agree to new leasing

³⁴³ McDermott, Roger N. McDermott, “United States and NATO Military Cooperation with Kazakhstan: The Need for a New Approach”, *Journal of Slavic Military Studies*, vol. 21, issue 4, October 2008, pp.615-641; Alexander Vinnikov, “NATO and Central Asia: Security, interests and values in a strategic region”, *Security & Human Rights*, vol. 20, issue 1, 2009, pp.68-82.

³⁴⁴ The U.S. has three foreign policies for Asia: East Asia (which includes China), South and Central Asia (have been reintegrated within one Bureau in 2006, Afghanistan is meant to be the linking party between these two subregions) and Eurasia (which includes Russia). It is argued that this division is “outdated” in times when Asia has reconnected, often through trade links with China. See: E. A. Feigenbaum, “Why America No Longer Gets Asia”, *The Washington Quarterly*, pp. 25-43, Spring 2011.

³⁴⁵ The National Security Strategy of the United States of America, March 2006, p. 40, [<http://www.comw.org/qdr/fulltext/nss2006.pdf>].

³⁴⁶ Condoleezza Rice, Remarks at Eurasian National University, 13 October 2005, [<http://2001-2009.state.gov/secretary/rm/2005/54913.htm>].

³⁴⁷ Robert Blake, *Testimony of Robert O. Blake, Jr., Assistant Secretary, Bureau of South and Central Asian Affairs*, U.S. House of Representatives, Committee on Foreign Relations, Subcommittee on Asia, the Pacific, and the Global Environment, Hearing on the Emerging Importance of the U.S.- Central Asia Partnership, November 17 2010.

fees, providing Kyrgyzstan with over \$150 million in aid.³⁴⁸ Tajikistan too, has played an important role by securing Afghan borders and maintaining transport connections between Tajikistan and Afghanistan through the \$36 million bridge funded by the U.S.³⁴⁹ However, in this part of Central Asia, Uzbekistan still remains the most useful player in providing the U.S. with the shortest routes for shipping cargo and important road and railway connections to Afghanistan. In turn, Turkmenistan emerged as an important arena for Russian-U.S. and Chinese interactions. Its geographical location provides it with more freedom of operations vis-à-vis the Stans, which border Russia or China. There is also a renewed interest in finalizing the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, which would transfer natural gas from Turkmenistan to India, despite disagreements with regards to transfer agreements and pricing among the participants.³⁵⁰ This is sometimes viewed as part of a possible 'New Silk Road' leading southward, though this initiative has yet to emerge as a coherent U.S. agenda.³⁵¹

It has been widely debated whether the SCO undermines U.S. interests in the region. The Assistant Secretary of State Richard Boucher confirmed that the U.S. never sought or was invited to gain membership of the SCO. If the U.S. held an observer status, U.S. leaders would play a secondary role in the organization, possessing no voting rights. Additionally, they would be subjected to the presence of the President of Iran, which holds observer status at the SCO and often uses

³⁴⁸ U.S. Contributions to the Kyrgyz government and economy can be found at the U.S. Embassy, Bishkek, Kyrgyzstan, [http://bishkek.usembassy.gov/tc_recent_contributions.html].

³⁴⁹ C.J. Chivers, "Seeking Trade to Bridge a Political North-South Divide", *New York Times*, 2 June 2007, [<http://www.nytimes.com/2007/06/02/world/asia/02tajikistan.html?pagewanted=all>].

³⁵⁰ R.G. Palau, "The TAPI Natural Gas Pipeline: Status & Source of Potential Delays", Civil-Military Fusion Centre, February 2012, [https://www.cimicweb.org/Documents/CFC%20AFG%20Social%20Well-being%20Archive/CFC_Afghanistan_TAPI_Feb12.pdf].

³⁵¹ Robert D. Hormats, Under Secretary for Economic, Energy and Agricultural Affairs, "The United States' 'New Silk Road' Strategy: What is it? Where is it Headed?" Address to the SAIS Central Asia Caucasus Institute and CSIS Forum, Washington, DC, 29 September 2011, [<http://www.state.gov/e/rls/rmk/2011/174800.htm>].

SCO summits to voice anti-American sentiments. Senior Associate at the Carnegie Endowment for International Peace, Martha Olcott, confirmed that the SCO was clearly more than just a ‘discussion forum’ where member states voiced their annoyance with U.S. policies; however, this did not directly threaten U.S. goals.³⁵² Iran’s engagements with the SCO were ‘limited’ and the Organization was unable to act in a ‘concerted fashion’ when dealing with regional security threats. Stephen Blank from the Strategic Studies Institute at the U.S. Army War College further pointed out that the SCO was primarily a framework used by China to counter U.S. influence in Central Asia, especially in the spheres of politics and ideology. He concluded that the Central Asian states would not fully co-operate with the U.S. unless the U.S. stopped supporting regime change, as in the case of the 2003 Rose Revolution in Georgia or the 2004 Orange Revolution in Ukraine.³⁵³

The U.S. administration is convinced that the divergent interests of the Central Asian nations, Russia and China, and the immaturity of the Shanghai Cooperation Organization mechanism, have and will continue to prevent a coordinated concert of anti-U.S. activities that would undermine U.S. interests in the short and medium terms. Initially sceptical, U.S. Bureau of South and Central Asia noted the potential for enhanced cooperation in countering terrorism in Eurasia during a Beijing Media Roundtable with Assistant Secretary Robert O. Blake in March 2011.³⁵⁴ Moreover, the December 2011 report, *Central Asia and the Transition in Afghanistan*, by the Senate Committee on Foreign Relations, acknowledges the SCO’s role in counter-

³⁵² R. Boucher, M. Olcott and S. Blank, “The Shanghai Cooperation Organization: Is it Undermining U.S. Interests in Central Asia?” Hearing before the Commission on Security and Cooperation in Europe, Washington, D.C., 26 September 2006, [http://www.csce.gov/index.cfm?FuseAction=ContentRecords.ViewDetail&ContentRecord_id=381&Region_id=0&Issue_id=0&ContentType=H.B&ContentRecordType=H&IsTextOnly=True&CFID=23548910&CFTOKEN=95881001].

³⁵³ Ibid.

³⁵⁴ Assistant Secretary Robert O. Blake’s Media Roundtable in Beijing, Embassy of the United States of America, Beijing, 15 March 2011, [<http://beijing.usembassy-china.org.cn/032111media.html>].

narcotics efforts.³⁵⁵ The U.S. remained consistent in its approach to Central Asia, largely promoted through diverse bilateral relations with the Stans. On the other hand, the U.S. perception of the SCO has undergone a gradual evolution from negative or indifferent to a cautious acceptance of the organization as providing a useful grouping for cooperation in selected areas.

China's evolving regional policy

Over the last decade, China has increased its participation in global and regional multilateral organizations as part of its foreign policy. On the regional level, its engagements reach out to several subregions in Asia: Southeast Asia, Northeast Asia, South Asia and Central Asia. With the launch of the periphery policy (*zhoubian zhengce*) or the good neighbor policy (*mulin zhengce*), China gradually joined the Asian Development Bank (1986), the Asia Pacific Economic Cooperation process (1989) and the ASEAN Regional Forum (1994) as well as the non-official "Track II" mechanism, the Council for Security Cooperation in the Asia Pacific (1996). Thereafter, China joined the WTO, ASEAN plus Japan, South Korea and China (ASEAN+3), the East Asia Summit (EAS), the G20, and other processes such as the Shangri-La Dialogue.

In the ASEAN-led frameworks, the PRC has had a secondary role, and less input in shaping ASEAN's future direction.³⁵⁶ In contrast, its active leadership in establishing the Shanghai Cooperation Organization (SCO) has given China the

³⁵⁵ *Central Asia and the Transition in Afghanistan, Majority Staff Report, prepared for the Committee on Foreign Relations, United States Senate*, 19 December, 2011, p. 12, [<http://www.cfr.org/afghanistan/senate-committee-foreign-relations-report-central-asia-afghanistan/p26863>].

³⁵⁶ China's immediate neighbors generated enough pressure to convince Beijing to pursue active participation in regional multilateral organizations. China decided to join the ASEAN Regional Forum in 1994 in an effort to disperse the China threat perceptions and weaken U.S. ties with its Asian allies. See: Rosemary Foot, "China in the ASEAN Regional Forum: Organizational Processes and Domestic Modes of Thought", *Asian Survey*, vol.38, no.5, 1998, pp.425-440.

opportunity to shape the institutional framework as well as the agenda of SCO consultations.

China's regional policies are formed with the following principles in mind. One of the core objectives is to harness continuous support for the 'One China Principle' with regards to Taiwan, Tibet and Xinjiang. The U.S. presence in Asia is another major consideration. China is balancing the U.S. position not by military means, but rather through 'institutional balancing', where it counts on high levels of economic interdependence, and harmonizing economic policies within regional organizations, such as the SCO, in which the U.S. is not a member state.³⁵⁷ Further, China strives to secure its borders and seize economic opportunities with neighboring states, especially in the energy sector.³⁵⁸ The result would be increased economic and political influence for Beijing without seeking to directly challenge U.S. global power or Russia's geostrategic interests.³⁵⁹

Although China's relationships with Russia and the newly established states in Central Asia are consolidated within the SCO, its formal strategy is still evolving.³⁶⁰ It is greatly dependent on the policies of the other players, who appear to have either short or medium term goals or lack the capacity to sustain predictable patterns in the domestic environment, due to a weak economic base and ongoing political volatility, or a limited capacity to coordinate regional development. After the demise of the Soviet Union, Central Asia became an

³⁵⁷ Kai He, *Institutional Balancing in the Asia Pacific: Economic Interdependence and China's rise*, London: Routledge, 2009.

³⁵⁸ Stuart Harris, "China's regional policies: how much hegemony?", *Australian Journal of International Affairs*, vol.59, no.4, 2005, pp.481-492.

³⁵⁹ G. John Ikenberry G. "The Future of the Liberal World Order", *Foreign Affairs*, vol 90, no. 3, May/June 2011, pp.56-68; Jean-Marc F. Blanchard "Harmonious World and China's Foreign Economic Policy: Features, Implications, and Challenges", *Journal of Chinese Political Science*, vol. 13, no. 2, 2008, pp.165-192.

³⁶⁰ Zhao Huasheng identifies six main priorities for China in Central Asia: (1) border security; (2) combating the "East Turkestan" movement; (3) energy; (4) economic interests; (5) geopolitics; and (6) the Shanghai Cooperation Organization (SCO). Zhao Huasheng, 'Central Asia in China's Diplomacy', *Central Asia: views from Washington, Moscow, and Beijing*, ed. Eugene Rumer, Dmitri Trenin and Zhao Huasheng, London: M.E. Sharpe, 2007, p.138.

important arena for cooperation and competition among three major powers: Russia, China and the U.S. China initially selected a cautious approach to establishing direct links with the newly independent Central Asian states and focused on normalization of its relations with Russia.³⁶¹ However, it managed to strengthen its bilateral relationships with all the Stans by signing treaties of Friendship and Cooperation and improving confidence and mutual trust. Beijing differentiated its relationships with individual countries.

It was primarily interested in neighboring countries: Kazakhstan, Kyrgyzstan and Tajikistan in relation to specification of common borders, and economic and resource potentials. It was believed that China paid attention to Uzbekistan and Turkmenistan mainly due to their efforts to implement reforms along the lines of the Chinese developmental model, but it initially neglected deeper trade contacts with these states because they did not face ethnic problems (such as Uighur population fleeing from Chinese authorities to Kazakhstan)³⁶² which would threaten China's domestic or foreign policies.³⁶³

Beijing has been particularly concerned with the threat of Islamic fundamentalism and separatism of the northwestern part of the PRC, the Xinjiang-Uighur Autonomous Region (XUAR). Historically and ethnically, the population of this region (Xinjiang as 'Eastern Turkestan') is closer to the Central Asian states (viewed as 'Western Turkestan') than to East Asia polities.³⁶⁴ However, China expects the largely Muslim local ethnic groups to coexist with the Han population

³⁶¹ This strategy was especially important due to China's disrupted relations with the West in the aftermath of the Tiananmen Square incident in 1989.

³⁶² "China: Account for Forcibly Returned Uighurs", *Human Rights Watch*, 2 September 2011, [<http://www.hrw.org/news/2011/09/02/china-account-forcibly-returned-uighurs>]

³⁶³ Konstantin Syroezhkin, "China in Central Asia: from Trade to Strategic Partnership", *Central Asia and the Caucasus* 45, no.3, 2007, pp. 40-51.

³⁶⁴ Klara Khafizova, 'Separatism in China's Xinjiang-Uighur Autonomous Region: Dynamics and Potential Impact on Central Asia', *Central Asia and Caucasus* 19, 2003, no.1, p.7.

in the Chinese cultural space. In order to strengthen the integration of the XUAR, Beijing implemented the Greater North-West development strategy, where Xinjiang plays a strategic role in the transit of energy resources, especially natural gas and oil, from the Central Asian states. China's economic development in these territories and cooperation with the Stans and Russia in curbing spill-over effects of extremism and terrorism are complementary and contribute towards consolidation of China's presence in the region.³⁶⁵ For this reason, the PRC was willing to develop the Shanghai Five dialogue process into expanded SCO patterns of cooperation.

The Shanghai Five Processes

Confidence building among Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan was facilitated by the Shanghai Five (S-5) series of meetings, with the primary focus on achieving disarmament in border areas and building trust among participating nations.³⁶⁶ Some discussions were at first of a more polarized nature: China versus the CIS members, rather than truly multilateral meetings.

³⁶⁵ Michael Clarke, 'Making the crooked straight: China's grand strategy of 'peaceful rise' and its Central Asian dimension', *Asian Security*, 2008, vol.4, no.2, pp.107-142.

³⁶⁶ The process of border resolution started in the mid-1980s between the Soviet Union and China. Subsequently, the negotiations expanded with the inclusion of Kazakhstan, Kyrgyzstan and Tajikistan in 1993. Marc Lanteigne, "Security, strategy, and the former USSR: China and the Shanghai Cooperation Organisation", in *Handbook of China's International Relations*, ed. Shaun Breslin, London: Routledge, 2010, p.168.

Figure 7: Overview of Shanghai Five Summits

Summit	Themes and Results
The Shanghai Summit, 26 April 1996	The Agreement on Confidence-building in the Military Field in the Border Areas
The Moscow Summit, 24 April 1997	The Agreement on the Mutual Reduction on Armed Forces in the Border Areas
The Almaty Summit, 3 July 1998	Afghanistan, the Taliban, religious radicalism and terrorism, drugs and weapons smuggling
The Bishkek Summit, 24 August 1999	U.S.-led NATO intervention in Yugoslavia, Moscow and Beijing opposing the action; The new ‘Silk Road’ – especially in the oil and gas sectors; Discussion on holding regular meetings
The Dushanbe Summit, 5 July 2000	Importance of maintaining UN authority (esp. UN Security Council); Support for China’s right vis-à-vis Taiwan and Russia’s position in Chechnya; Uzbekistan attends the Summit; Decision to establish an organization to tackle security threats more effectively.

The first two S-5 agreements³⁶⁷ had mainly declaratory value, in which there was a shared understanding about non-first use of force, and in the case of Russia and China, also the non-use of nuclear weapons.³⁶⁸ This was meant to increase

³⁶⁷ The Agreement on Confidence-building in the Military Field in the Border Area, Shanghai, 26 April 1996; The Agreement on the Mutual Reduction on Armed Forces in the Border Areas, Moscow, 24 April 1997; [<http://www.fas.org/nuke/control/mrmfba/index.html>]; Also see: Jozef Goldblat, *Arms Control: the New Guide to Negotiations and Agreements*, London: SAGE, 2003, pp. 272-276.

³⁶⁸ Russia and China declared the no-first-use of nuclear weapons against each other and non-targeting of strategic missiles at each other in September 1994. ‘Fact Sheet: China: Nuclear Disarmament and Reduction

confidence among all participants. Russia and China signed a Joint Statement on 19 May 1991, where they agreed not to use force or even threaten one another with force.³⁶⁹ They further established that they would not sign agreements with a third country that would undermine security interests and the state sovereignty of the other state. Reaffirmation of these declarations was rather symbolic, considering that Russia was capable of retargeting its strategic missiles in twenty minutes, and China's strategic missiles were still, allegedly, targeted at Russia in July 1997.³⁷⁰ Once the parties agreed on specific regulations in the border areas, they started to pay more attention to the shared security concerns related to the designated 'three evils' of extremism, separatism and terrorism, and the S-5 summits (1998-2000) became more truly multilateral.

Once the declaratory measures were outlined, the participating states discussed the *constraint, communication, transparency* and *verification* measures and agreed to provide each party with defense information, such as military doctrines and security concepts, and make defense budget figures available. The *constraint* measure relates to bringing the levels of military forces in border areas to a minimum, with a 100-kilometer zone on both sides of the border with China. Russia, Kyrgyzstan, Kazakhstan, and Tajikistan settled for 3,900 tanks, 3,810 of which are the Russian quota, in the area bordering China. In addition, Russia could deploy up to 4,500 armored fighting vehicles there. The same tank ceiling was also set for China. A 15% reduction in the existing Russian military grouping in the 100-km border zone with China was also envisaged when first signed. The parties

of, Ministry of Foreign Affairs of the People's Republic of China, 27 April 2004, [<http://www.fmprc.gov.cn/eng/wjb/zzjg/jks/cjik/2622/t93539.html>].

³⁶⁹ Yuan Jing-dong, Sino-Russian Confidence Building Measures: A Preliminary Analysis, Working Paper, no.20, Centre for International Studies, Vancouver, January 1998, [<http://www.isn.ethz.ch/isn/Digital-Library/Publications/Detail/?ots591=0c54e3b3-1e9c-be1e-2c24-a6a8c7060233&lng=en&id=46425>].

³⁷⁰ Ming-Yen Tsai, *From Adversaries to Partners? Chinese and Russian Military Cooperation after the Cold War*, Westport, CT: Greenwood Press, 2003, p.92.

agreed to exchange relevant information and data on the military forces in the border area; and monitor and verify the implementation of the Agreement. They also agreed to regularly exchange relevant military information about the areas, which will be kept secret from any third party.³⁷¹

The Agreement further indicates that states should inform each other if they intend to hold a military exercise exceeding 25,000 personnel in the 100-kilometer geographical area. The other party is usually invited to observe the exercise in order to comprehend the scale of operations and reduce misperceptions between each other. This practice has clearly been incorporated into the SCO Peace Missions where Observer states are invited to monitor the joint military exercises of SCO member states. Moreover, China and Russia strengthened their mutual *communication* measure by setting up a telephone hotline in April 1996; there has also been a military hotline in place since December 2008.³⁷²

From the start, the SCO states were facing two major limitations in obtaining the best possible outcomes in transparency and verification measures. As stated previously, transparency requires a full disclosure of defense budgets. Although China published an ‘arms control and disarmament’ white paper in 1995, the description did not provide information on Chinese defense spending.³⁷³ Through 2011, China was still viewed as downplaying its defense expenditure and the actual defense budget figures were believed to be two or more times higher.³⁷⁴ Besides

³⁷¹ “The Agreement on Mutual Reduction of Military Forces in the Border Areas”, Federation of American Scientists, [<http://www.fas.org/nuke/control/mrmfba/index.html>]; This agreement is valid until 2020.

³⁷² Chris Hogg, “Army phone links China and Russia”, *BBC News*, 29 December 2008, [<http://news.bbc.co.uk/2/hi/7803028.stm>].

³⁷³ China: Arms Control and Disarmament, Information Service of the State Council of the People’s Republic of China, Beijing, November 1995, [<http://www.china.org.cn/e-white/army/index.htm>]; China provided figures for the 1997 defense expenditure in China National Defense, published the Information Service of the State Council of the PRC in July 1998, [<http://www.china.org.cn/e-white/5/5.3.htm#3>].

³⁷⁴ Sam Perlo-Freeman, Julian Cooper, Olawale Ismail, Elisabeth Skons and Carina Solmirano, Chapter 4: Military Expenditure, SIPRI Yearbook 2011: Armaments, Disarmament and International Security.

transparency, another important confidence building measure is verification. The 1996 Shanghai Agreement does not specify procedures for mutual inspections. The states should carry out their inspections only in instances of great irregularities or major threats.

The following three S-5 summits held in Almaty, Bishkek and Dushanbe extended the agenda of mutual cooperation beyond strengthening mutual trust in border areas. The 1998 Almaty Summit resulted in the Almaty Joint Statement, in which the establishment of the Central Asian nuclear-weapons-free zone was praised.³⁷⁵ It also focused on Afghanistan and the problems of religious extremism and terrorism. The five states called for a diplomatic solution to these issues under UN auspices.³⁷⁶ The fight against non-traditional security threats, along with separatism, became the primary security issues for the SCO. These issues, however, were framed within the context of the desire for regional stability, and the perceived need to play a greater role in any emerging ‘world order’³⁷⁷

Discussions at the 1999 Bishkek Summit dealt with the U.S.-led NATO intervention in Yugoslavia. There was strong opposition against interference in internal affairs of states, even under “the pretext of humanitarian intervention and protection of human rights”, from Moscow and Beijing. On the other hand,

[<http://www.sipri.org/yearbook/2011/files/SIPRIYB1104-04A-04B.pdf>]; Andrew S. Erickson and Adam P. Liff, Understanding China’s Defense Budget: What it Means, and Why it Matters, *PacNet* no. 16, Pacific Forum, CSIS, Honolulu, Hawaii, 9 March 2011, [<http://csis.org/files/publication/pac1116.pdf>].

³⁷⁵ Although discussed as early as 1992, the Central Asian Nuclear Weapon-Free Zone (CANWFZ) would evolve through later agreements in 2004 and 2006, with the treaty entering into force in March 2009, IAEA (2009). “Nuclear-Weapon Free Zone in Central Asia: IAEA Welcomes Entry into Force of Treaty Joining Five States in Region”. *International Atomic Energy Agency*, 24 March 2009, [<http://www.iaea.org/NewsCenter/News/2009/canwfztreaty.html>].

³⁷⁶ Jozef Goldblat, *Arms Control: The New to Negotiations and Agreements with New CD-ROM Supplement*, Oslo: International Peace Research Institute, 2002, p.276.

³⁷⁷ Marat Nurgaliyev, *Development of the Shanghai Cooperation Organization and Diplomacy of Japan Towards Central Asia*, Tokyo: The Japan Institute of International Affairs, 2008 [http://www2.jiia.or.jp/pdf/fellow_report/080317-Marat_Nurgaliyev.pdf].

compliance with respecting human rights was also stated.³⁷⁸ At this time, debates about a new ‘Silk Road’ – especially in the sectors of oil and gas – emerged. The agreement also involved setting up an anti-terrorist center in Bishkek to coordinate all activities in this sphere. Since discussions about normalizing common borders between China and Central Asian nations were dealt with, S-5 took the next step and decided to conduct regular meetings of the defense ministers of member states. Not much information about how these interactions would take place was released at the time.³⁷⁹

The final S-5 Summit was a breakthrough, with the attendance of the Uzbek President Islam Karimov. Uzbekistan experienced bombings and incursions from the Taliban-backed *Islamic Movement of Uzbekistan* in 1999. Since the S-5 elevated its focus on fighting Islamic militants, Tashkent showed an interest in cooperating with the Stans, Russia and China in early 2000. Subsequently, it was suggested that a formal regional organization should be established, subordinate to the authority of the United Nations Security Council.³⁸⁰ This laid the foundation for a more formalized network dialogue between the Stans, China and Russia. These states had improved their military relations and reduced their forces along common borders. Throughout the Shanghai-Five processes, participating states acquired a shared understanding of traditional and non-traditional security threats in the region and pledged continued support for regular consultations in the quest for about solutions to common security problems. Intensified dialogue through 2000-2001 at the level of defense ministers and foreign affairs ministers, as well as law-

³⁷⁸ Marat Mamadshoyev, “The Shanghai G-5 becomes the Shanghai Forum,” *Eurasia Insight*, 7 July 2000, [<http://dev.eurasianet.org/departments/insight/articles/eav070700.shtml>].

³⁷⁹ Roy Allison, “Limits to Multilateralism”, in *Strategic Security Dilemmas in the Caucasus and Central Asia*, NBR Analysis, October 2003.

³⁸⁰ Robert M. Cutler, “The Shattering of the Sino-Russian Entente Over the Shape of Central Asia?”, *Central Asia-Caucasus Analyst*, 21 November 2001, [<http://www.cacianalyst.org/?q=node/163/print>].

enforcement officials, prepared this grouping for a more formal structure as the SCO.³⁸¹

The main security concerns for all SCO member states have remained the ‘three evils’ of extremism, separatism and terrorism. Fear of these threats has been closely connected to protecting internal security, which relates to the regime security and territorial integrity of these states.³⁸² Elites from the SCO member states hold that the S-5 and the SCO are useful vehicles for harmonizing practices for intelligence sharing. Despite not providing collective security guaranties to SCO member states, the Organization became an important forum for states in need of diplomatic support in the event of a security crisis or external criticism of their human rights record.

It was the 2000 Dushanbe Declaration which stressed the importance of respecting internal affairs of other states and their free choice to develop their policies in societal, economic and political spheres. There should be guarantees that no state would intervene under the pretext of ‘humanitarian intervention’ or suggestions of human rights violations. These principles have been restated on several occasions at annual summits of the SCO. The Heads of States also agreed that the cooperation should further encourage a multipolar world and a creation of a “new, just, and rational international political and economic order”.³⁸³

³⁸¹ Marat Nurgaliyev, *Development of the Shanghai Cooperation Organization and Diplomacy of Japan Towards Central Asia*, Tokyo: The Japan Institute of International Affairs, 2008 [http://www2.jiia.or.jp/pdf/fellow_report/080317-Marat_Nurgaliyev.pdf]. See further below

³⁸² Stephen Aris, “Tackling the ‘Three Evils’: the Shanghai Cooperation Organization (SCO) – A Regional Response to Non-Traditional Security Challenges or an Anti-Western Bloc?”, *Europe-Asia Studies* 61, no.5, 2009.

³⁸³ “Dushanbe Declaration by the Heads of State of the Republic of Kazakhstan, of the People’s Republic of China, of the Kyrgyz Republic, of the Russian Federation, and of the Republic of Tajikistan” 5 July 2000, Dushanbe, Tajikistan, Ministry of Foreign Affairs of the Russian Federation, [<http://www.in.mid.ru/B1.nsf/arh/A69BB7197B47EC174325699C003B5F9D?OpenDocument>].

Already, in this formative period, various mechanisms of engagement were established; mainly exchanges between departmental and ministerial officers in charge of relevant agenda. Since then, the SCO has become the main driver encouraging these principles and the facilitator of the soft-balancing strategy towards foreign influences in Central Asia.

The Shanghai Cooperation Organization

The SCO, which was established in Beijing on 15 June 2001, successfully converted S-5 processes into a formal multilateral organization. It has become a productive tool for enhancing cooperation between the Stans, Russia and China. The United Nations officially acknowledged the SCO as “an essential forum for addressing security in Eurasia in all its dimensions – political, economic, military, and environmental”.³⁸⁴ In a speech delivered on behalf of UN Secretary-General Ban Ki Moon to the Council of Heads of State of the SCO in Yekaterinburg, Under-Secretary-General for Political Affairs B. Lynn Pascoe highlighted several non-traditional security issues (food insecurity, climate change and the global financial crisis), that the UN Regional Centre for Central Asia and the SCO needed to tackle together. He stressed the importance of preventive security and counter-terrorist strategy.

Despite being accorded observer status at the UN General Assembly, forming external relations with other regional organizations,³⁸⁵ and contributing towards

³⁸⁴ Secretary-General's Message to the Council of Heads of State of the Shanghai Cooperation Organization (SCO), delivered by Mr. B. Lynn Pascoe, Under-Secretary-General for Political Affairs, Yekaterinburg, Russia, 16 June 2009, [<http://www.un.org/apps/sg/sgstats.asp?nid=3926#>].

³⁸⁵ The SCO officially collaborates with the UN, CSTO, EurAsEc, ASEAN and CIS. These interactions are regulated through *the Regulation on the Status of Observer to the Shanghai Cooperation Organization*, accepted during the June 2004 Tashkent summit. In December 2004 the SCO was granted observer status in the General Assembly of the United Nations. In April 2005 the SCO signed the Memorandum of Understanding (MOU) with ASEAN and the Commonwealth of Independent States, establishing a relationship of cooperation and partnership.

regional security, external parties have been puzzled on a number of counts: the nature of the Organization, its leadership, and the extent to which it will be successful in implementing its ambitious goals. For much of the SCO's existence, there has been a lack of informed analysis about the Organization compared to more established frameworks, such as ASEAN, the EU,³⁸⁶ NATO or APEC. The SCO is known for its opacity in reporting on its activities.³⁸⁷ The limited content on the official website and out-of-date reporting on SCO activities have generated negative views about the underlying motivations behind the establishment of the SCO and its role in the Asia-Pacific multilateral security architecture. Observers conclude that it is an “anti-Western front”,³⁸⁸ “the NATO of the East”,³⁸⁹ “a work in progress”,³⁹⁰ the “Shanghai Organization of Mutual Distrust”³⁹¹ or a formal organization without any tangible influence.³⁹²

³⁸⁶ The EU only recently adopted its first Central Asia strategy: European Community Regional Strategy Paper for Assistance to Central Asia for the period 2007-2013, [http://www.eeas.europa.eu/central_asia/rsp/07_13_en.pdf] ; The importance of creating stronger ties between the EU and the SCO in achieving a greater stability and cooperation in areas of energy security, the fight against the drug trade and terrorism was highlighted by Oksana Antonenko in “The EU should not ignore the Shanghai Co-operation Organisation”, The Policy Brief, Centre For European Reform, May 2007, [http://www.cer.org.uk/pdf/policybrief_sco_web_11may07.pdf]. Antonenko further stressed that this cooperation is challenging due to differences over human rights and arguments over the anti-western nature of the SCO.

³⁸⁷ Documents from the period of the S-5 processes are no longer available as archived on the official website. A compilation of relevant material from the pre-2001 period was done during a fieldwork trip at the Centre of Shanghai Cooperation Organization Studies in Shanghai in July 2008. The Official Website is regularly unavailable or it does not report adequately in English. An example of this is the website of the Regional Anti-Terrorist Structure of SCO (RATS), one of the two permanent agencies of the SCO, the ‘news’ section of which has not been updated since 2005, more recent information is available in Chinese or Russian. The SCO presiding country in a particular year has a tendency to create a new website for the period of this presidency. The latest Chinese presidency provided an informative website before June 2012 summit in Beijing, however, the access to normative documents is often limited, due to being linked to the original SCO website, which is often down. Official Website of SCO 2012 Summit [<http://www.scosummit2012.org/english/>].

³⁸⁸ Oleg Artyukov, “The Shanghai Cooperation Organization to become a serious concern for the USA”, *Pravda*, 16 June 2006.

³⁸⁹ Parag Khanna, *The Second World: How Emerging Powers are Redefining Global Competition in the 21st Century*, New York, NY: Random House, 2009.

³⁹⁰ Amb. Pierre Morel, EU Special Rep. for Central Asia, Seminar ‘Asian Voices in Europe’, “The Shanghai Cooperation Organisation: a new regional kid on the block?” Report, the EPC-Sasakawa Peace Foundation (SPF), 18 February 2008, [http://www.epc.eu/events_rep_details.php?pub_id=880&cat_id=6].

³⁹¹ Global Trends 2025: A Transformed World, National Intelligence Office, Washington, D.C.: US Government Printing Office, November 2008,

[<http://www.aicpa.org/research/cpahorizons2025/globalforces/downloadabledocuments/globaltrends.pdf>].

³⁹² More detailed overview of this confusion in the literature and examples of various descriptions of the SCO can be found in Enrico Fels, *Assessing Eurasia's Powerhouse: An Inquiry into the Nature of the Shanghai Cooperation Organization* Bochum: Winkler Verlag, 2009.

Some Western attitudes to this organization may be characterized as emotive, and the academic community of specialists has tended to ignore it, viewing it as ineffective and driven by authoritarian leaders bent on preserving their regimes by not supporting democratization trends in the region.³⁹³ However, this has been changing, with a more thorough analysis of SCO emerging and recognition of its distinctive framework for conflict prevention in Central Asia.³⁹⁴ This thesis does not speculate about the SCO's final status. It is clear that the SCO provides a unique model of regional cooperation and does not follow the EU or ASEAN models. The assessments here test whether the Organization has been used as a soft balancing mechanism to constrain U.S. power in the region.

Mandate and Norms

The SCO's stated mission is to work towards "regional peace, security and stability" and create a "democratic, fair and rational new international political and economic order".³⁹⁵ These goals are to be achieved through the principles of good-neighborly friendship and mutual trust. Since the foundation of the SCO, the member states have used yearly summits to restate these goals and gradually expand their cooperation into various spheres including science and technology, trade, education, culture, energy, environment, transport, economy and politics. The SCO states introduced a new norm, which they termed "Shanghai Spirit", to describe their way of diplomacy based on "mutual trust, mutual benefit, equality, consultation, respect

³⁹³ Ruslan Izimov, "The SCO and the West", *Central Asia and the Caucasus* 2, vol. 12, 2011; Thomas Ambrosio, "Catching the 'Shanghai Spirit': How the Shanghai Cooperation Organization Promotes Authoritarian Norms in Central Asia", *Europe-Asia Studies*, vol. 60, no.8, October 2008, pp.1321-1344. The 'colored revolutions' are further detailed below, under the subheading, 'Soft Balancing Cases'.

³⁹⁴ Stephen Aris, *Eurasian Regionalism: The Shanghai Cooperation Organisation*, Palgrave Macmillan, Basingstoke, 2011; Marcel de Haas and Frans-Paul van der Putten, *The Shanghai Cooperation Organisation: Towards a full-grown Security Alliance?*, Clingendael: Netherlands Institute of International Relations, November 2007, [http://www.clingendael.nl/publications/2007/20071100_cscp_security_paper_3.pdf].

³⁹⁵ "Declaration of Establishment of Shanghai Cooperation Organization", 15 June 2001.

for multicivilizations, [and] striving for common development”.³⁹⁶ On the organization’s fifth anniversary on 15 June 2006, the Shanghai Spirit was promoted as “new norm of international relations”.³⁹⁷ The then SCO Secretary-General, Zhang Deguang, suggested that this norm represents not only a “source of unity and spiritual power”, but also a “concept of development and a system of values”.³⁹⁸

Russia and China shared compatible visions of a multipolar world order and believed that the SCO was becoming a role model of an equitable mechanism enabling policy coordination, not only of regional but also global issues.³⁹⁹ The states work closely in combating threats of terrorism and separatism.⁴⁰⁰ Under the *Shanghai Convention on Combating Terrorism, Separatism and Extremism*, the SCO members agreed that there were no good reasons to justify separatism and that the offenders should be punished accordingly under the law.⁴⁰¹ China and Russia on several occasions voiced their opposition to Kosovo’s independence, arguing that it would create a precedent for others seeking secession.⁴⁰² Likewise, Moscow and Beijing have viewed genuine independence (versus autonomy) movements in

³⁹⁶ Jiang Zemin, “Deepening unity and coordination to jointly create a brilliant future”, speech at the SCO inaugural ceremony, St Petersburg, 15 June 2001, [<http://english.china.org.cn/baodao/english/newsandreport/2001july/new14-1.htm>].

³⁹⁷ “Commentary: SCO outlines new norm of international relations”, Xinhua, 16 June 2006, [http://english.peopledaily.com.cn/200606/16/eng20060616_274699.html]; “Declaration of the Heads of State of the Member States of the Shanghai Cooperation Organization on Building a Region of Lasting Peace and Common Prosperity”, 7 June 2012, [<http://www.fmprc.gov.cn/eng/zxxx/t939149.htm#>].

³⁹⁸ Press Conference by Secretary-General Zhang Deguang on the Eve of the Fifth Anniversary Summit, 6 June 2006, [www.sectsc.org/html/01006.html]; “Hu Jintao gives interview to SCO reporters”, Chinese Government’s Official Web Portal, 30 May 2006, [http://english.gov.cn/2006-05/30/content_295924.htm]; The Kremlin has been equally supportive of these principles. In 2006, President Putin hailed the SCO’s Shanghai Spirit as a “New Model of Successful International Cooperation”. Vladimir Putin, ‘SCO – the New Model of Successful International Cooperation’, The Embassy of the Russian Federation in the Republic of Indonesia, 14 June 2006, [http://www.indonesia.mid.ru/ros_asia_e_4.html].

³⁹⁹ Later on, Chinese official documents tended to use the term ‘multilateralism’ more often than ‘multipolarity’, Leif-Eric Easley, “Multilateralism, Not Multipolarity Should be Goal,” *The China Post*, 29 March 2008.

⁴⁰⁰ Anti-terrorist activities are coordinated by the Regional Counter-Terrorism Structure based in Tashkent, Uzbekistan.

⁴⁰¹ The Shanghai Convention on Combating Terrorism, Separatism and Extremism, Shanghai, 15 June 2001, [<http://www.hrichina.org/content/5204>].

⁴⁰² Niklas Swanström, ‘Georgia: The Split that Split the SCO’, *Central Asia-Caucasus Institute Analyst*, 9 March 2008, [<http://www.cacianalyst.org/?q=node/4930>].

Chechnya and Tibet as fundamental attacks on their states, whether conceived as federal or multinational entities. Subsequently, Russia's use of force during the 2008 August conflict with Georgia and recognition of sovereignty for Abkhazia and South Ossetia challenged the SCO's principles and strategic partnership with China (see further below).

These goals and principles were incorporated into the Charter of the Shanghai Cooperation Organization, which was signed in St Petersburg on 7 June 2002 and came into force on 19 September 2003. The document was signed in the Chinese and Russian languages which are the official SCO languages. On the basis of Article 2 of the Charter, the SCO will fulfil its goals by adhering to the Charter of the United Nations, respecting the states' territorial integrity and sovereignty and refraining from the use or threat of force in neighboring countries as well as at the international level. The SCO member states proclaimed that the Organization should not be viewed as an alliance directed against any other states and regions. It should rather be seen as a mechanism for fighting terrorism, separatism and extremism. The Organization identified these threats as its primary concerns and proposed a detailed plan of action on the day of establishment. Further, it contributed to deliberations over how terrorism, separatism and extremism should be defined.⁴⁰³ By opting for such non-interventionist and cooperative security approaches (largely directed toward internal problems),⁴⁰⁴ the Organization clearly refrains from a traditional hard balancing approach in favor of the soft balancing strategy. Although there is no SCO foreign policy and the Organization best reflects 'regional cooperation' rather than 'regional integration', this mutual

⁴⁰³ "Shanghai Convention on Combating Terrorism, Separatism and Extremism", Shanghai, 15 June 2001, [<http://www.hrichina.org/content/52041>].

⁴⁰⁴ It should be noted that anti-terrorism exercises do involve SCO militaries and may be viewed as threatening by some states, political actors, or ideologies.

understanding on how to approach common problems strengthens the desire of individual member states to work together and formulate common positions on regional matters.

SCO Membership and the Sino-Russian Driver

The SCO is composed of a diverse group of states. These include two global powers, China and Russia, with influence through permanent memberships in the UNSC and the possession of nuclear weapons, large territories and populations, thereby driving the Organization's scope beyond Central Asia. There are also two Stans with regional influence, Kazakhstan and Uzbekistan, as well as two less influential Stans, Tajikistan and Kyrgyzstan. The internal dynamics of the SCO has been compared to "a barometer of the state of Russo-Chinese relations",⁴⁰⁵ where the organizational development appears to be closely linked to the institutionalization of Sino-Russian relations.

On the occasion of the 10th anniversary of the SCO and the Treaty of Good-Nighborly Relations, Friendship and Cooperation between Russia and China in 2011, Moscow and Beijing elevated the status of their 'strategic partnership' to a 'comprehensive strategic cooperation and partnership'.⁴⁰⁶ Moscow and Beijing agreed to coordinate their policies, in multiple areas ranging from missile defense, internet information security, outer space and global warming, in multilateral

⁴⁰⁵ Stephen Aris, "SCO has been compared to 'a barometer of the state of Russo-Chinese relations'", *Russie.Nei.Visions*, no.34, Ifri, September 2008, [http://www.ifri.org/files/Russie/Ifri_RNV_Aris_SCO_Eng.pdf].

⁴⁰⁶ Yu Bin, "China-Russia Relations: Politics of Two Anniversaries," *Comparative Connections*, September 2011; after reclaiming his presidency, President Putin's first visit to Asia was to Beijing, where he signed a joint communique to support this deepened partnership, "China, Russia sign joint communique to deepen cooperation", *English.news.cn*, 6 June 2012, [http://www.scosummit2012.org/english/2012-06/06/c_131634971.htm].

forums: such as SCO, BRICS, G20, and the Russia-India-China mechanism.⁴⁰⁷

During the 2012 Summit in Beijing, the SCO heads of state issued a statement opposing the use of force in Iran and Syria. They called for ‘dialogue’ rather than ‘military intervention’ in the Middle East.⁴⁰⁸ Russia’s Foreign Minister, Sergei Lavrov, called the Sino-Russian partnership “irreversible” and conducive to “peace and stability in the world”.⁴⁰⁹

Traditional divisions of labor within the SCO are arguably reflected in Russia’s security agenda, and in China’s economic sphere. Russia holds strong historical and cultural ties to Central Asia and these links create a sense of a ‘natural’ sphere of influence. It is in Russia’s interest to use various frameworks, including the SCO, to maintain the status quo in the region. One of the key soft power strategies is the use of Russian language among Russian nationals in the former Soviet republics. In 2007, President Putin signed a decree establishing ‘Russkiy Mir Foundation’ to promote “the Russian language, as Russia's national heritage and a significant aspect of Russian and world culture, and supporting Russian language teaching programs abroad.” In his words, the Russian language creates a “community that goes far beyond Russia itself” and is a “common heritage of many people” and will “never become the language of hatred or enmity, xenophobia or isolationism”.⁴¹⁰ In the Eurasian context, Russian is sometimes used as language of

⁴⁰⁷ “China, Russia issue joint statement on major international issues”, *English.news.cn*, 16 June 2011, [http://news.xinhuanet.com/english2010/china/2011-06/16/c_13934280.html]; “News conference following Russian-Chinese talks”, *Kremlin.ru Archive*, 16 June 2011, [<http://eng.kremlin.ru/transcripts/2405>].

⁴⁰⁸ “SCO Leaders Reject Force In Iran, Syria”, *RFE/RL*, 7 June 2012, [<http://www.rferl.org/content/sco-summit-rejects-force-iran-syria/24606443.html>].

⁴⁰⁹ “China, Russia vow to further bilateral ties”, *English.gov.cn*, 21 August 2012, [http://english.gov.cn/2012-08/21/content_2208031.htm].

⁴¹⁰ “About Russkiy Mir Foundation”, President Vladimir Putin’s Address to the Federal Assembly in April 2007, Russkiy Mir Foundation Official Website, [<http://www.ruskiymir.ru/ruskiymir/en/fund/about>].

inter-ethnic communication, even if used reluctantly and rarely given formal status as a national language.⁴¹¹

Border security is another major consideration. Resolving common border issues with China allowed Russia to focus on more volatile parts of its neighborhood, especially towards the North and South Caucasus. Russia also pays attention to the expansion of NATO to the East. The Putin administration in particular used the SCO to voice its discontent with the continuous presence of foreign forces in Russia's neighborhood during 2004-2008. In the words of Vyacheslav Trubnikov, a Russian Deputy Foreign Minister, "I don't think we can be happy with the presence of extra-regional powers whether it is the US, China or some other country."⁴¹² Russia finds the SCO to be a good framework to balance its relationship with the U.S. in Central Asia and at the same time have better control over China's activities in the region. Militarily, it continues to rely on the Russian-led CSTO. It has been pushing for a greater CSTO-SCO collaboration; however, these contacts have remained rather limited.⁴¹³

Russia has had its differences with the majority of the SCO member states. Initially, Moscow and Tashkent stood united during the expulsion of U.S. forces from Uzbekistan in 2005⁴¹⁴ until Tashkent restarted its cooperation with

⁴¹¹ Sergie Gradirovsky & Neli Esipova, "Russian Language Enjoying a Boost in Post-Soviet States: Attitudes more favourable in Georgia, Moldova, and Armenia", *Gallup World*, 1 August 2008 [<http://www.gallup.com/poll/109228/russian-language-enjoying-boost-postsoviet-states.aspx>].

⁴¹² Vladimir Skosyrev, Interview with the Russian First Deputy Foreign Minister Vyacheslav Trubnikov, "Есть предел уступкам Москвы" ["There Is a Limit to Moscow's Concessions"], *Nezavisimaya Gazeta Daily*, 12 May 2004, [http://www.ng.ru/world/2004-05-12/1_trubnikov.html].

⁴¹³ Mikhail Troitskiy, "A Russian Perspective on the Shanghai Cooperation Organization," in *The Shanghai Cooperation Organization*, SIPRI Policy Paper no.17, Alyson J. K. Bailes, Pál Dunay, Pan Guang and Mikhail Troitskiy, Stockholm International Peace Research Institute May 2007, pp.30-44.

⁴¹⁴ "President of Uzbekistan and Russia Meet," *the Embassy of Uzbekistan in the United States*, 29 June 2005, [<http://www.uzbekistan.org/news/archive/236/?print=1>]; Russia and Uzbekistan conducted a joint military exercise on 21-23 September 2005, See: Bruce Pannier, "Uzbekistan: Military Exercises with Russia Timely for Tashkent," *RFE/RL*, 23 September 2005; Uzbekistan re-joined the CSTO and withdrew from the pro-Western GUUAM in 2005. Moscow and Tashkent further signed a treaty of alliance in Moscow on 14 November 2005. An attack on Russia would generate assistance from Uzbekistan and vice versa. See: "Anatomy of A Crisis: U.S.-Uzbekistan Relations, 2001-2005", Silk Road Paper, John C.K. Daly, Kurt H.

Washington.⁴¹⁵ A similar approach was taken by Kyrgyzstan, which was planning not to renew the lease for foreign troops at the Manas Airbase. There were reports that Bishkek had been negotiating a \$2.1 billion package of Russian aid.⁴¹⁶ In the end, Bishkek re-negotiated a deal with the U.S. government.⁴¹⁷ Kazakhstan's President Nazarbaev questioned Moscow's support of separatist regions of Abkhazia and South Ossetia during the Russia-Georgia war in August 2008.⁴¹⁸ Astana additionally expressed an interest in participating in the Baku-Ceyhan oil pipeline, which bypasses Russia. The growing differences between Russia and the Stans, along with a gradual divergence of trade towards China, have contributed to the changed dynamics among these states in Central Asia.⁴¹⁹

All Stans have been interested in obtaining consumer goods from China, while Beijing has negotiated agreements to import primary materials. Apart from energy, China has shown interest in accessing agricultural land; it secured a lease of 2000 hectares of land in Tajikistan in January 2011. The arable land in this country is limited⁴²⁰ and this appropriation of the land for China's use caused discontent among the local population who feared a resettlement of Chinese nationals into

Meppen, Vladimir Socor, S. Frederick Starr, Central Asia-Caucasus Institute & Silk Road Studies Program, February 2006, [<http://www.silkroadstudies.org/new/inside/publications/0602Uzbek.pdf>]

⁴¹⁵ "Uzbekistan: New US Ambassador, New Policy?" *EurasiaNet.org*, 12 November 2007, <http://www.eurasianet.org/departments/insight/articles/eav111307a.shtml>; "US-Uzbekistan Relations: Another Step Toward Rapprochement?" *EurasiaNet.org*, 22 January, 2008, [<http://www.eurasianet.org/departments/insight/articles/eav012308b.shtml>].

⁴¹⁶ Isabel Gorst, "Kyrgyzstan to shut US military Base", *Financial Times*, 19 February 2009, [<http://www.ft.com/intl/cms/s/0/2d949bc6-fe62-11dd-b19a-000077b07658.html#axzz2Dreq06OC>]

⁴¹⁷ Jim Nichol, "Kyrgyzstan and the Status of the U.S. Manas Airbase: Context and Implications," CRS Report for Congress, 1 July 2009, [<http://www.fas.org/srg/crs/row/R40564.pdf>].

⁴¹⁸ Bruce Pannier, "Former Soviet Sphere Shocked Into Silence By Conflict In Georgia", *RFE/RL*, 11 August 2008, [http://www.rferl.org/content/Former_Soviet_Sphere_Shocked_Into_Silence_By_Ossetia_Conflict/1190128.html].

⁴¹⁹ Joanna Lillis, "Kazakh energy profits give foreign-policy heft", *EurasiaNet*, 19 April 2007, [<http://www.isn.ethz.ch/isn/Security-Watch/Articles/Detail/?ots591=4888caa0-b3db-1461-98b9-e20e7b9c13d4&lng=en&id=53197>].

⁴²⁰ Stephen Blank, "Revising the Border: China's Inroads into Tajikistan", *China Brief*, vol. 11, issue 14, 29 July 2011, [http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=38251&cHash=1c880ed7361f0dc32c7d21caf3ce70555].

Tajikistan to fill the void left by the departure of Tajik citizens for Russia.⁴²¹ In exchange for opening up trade links and in the light of China's policy of recreating the 'Silk Route' through the establishment of a free trade area, Beijing has subsidized major projects, as evidenced by its commitment of \$900 million for regional cooperation and development.⁴²² Russia has supported the majority of these projects, especially in setting up a network of telecommunications and transport corridors; however, it opposed the free trade area.⁴²³

In contrast, China has not fully embraced the idea of coordinating energy policies through the Energy Club, a proposal by President Putin at the SCO Summit in June 2006.⁴²⁴ Chinese officials have preferred bilateral or 'semi-official' agreements when it comes to energy.⁴²⁵ They secured contracts with Turkmenistan and Uzbekistan to import oil via pipelines bypassing Russia.⁴²⁶ Beijing additionally showed an increased interest in security issues and called for more rapid responses towards security threats when it presided over the SCO in 2011-2012.⁴²⁷ China's strategic re-emergence has expanded its operational frontier throughout Central-Eastern Asia, via network of pipelines which guarantee long-term energy supply as long as the transportation of the gas and oil is protected from destabilizing forces. This development challenges Russia and the U.S. long-term strategic interests.

⁴²¹ Bruce Pannier, "Tajikistan Agrees To Allow Chinese Farmers To Till Land", *RFE/RL*, 28 January 2011, [http://www.rferl.org/content/tajikistan_china/2289623.html].

⁴²² Sébastien Peyrouse, Jos Boonstra and Marlène Laruelle, "Security and development approaches to Central Asia: The EU compared to China and Russia", *EUCAM* Working Paper no. 11, May 2012, [http://www.eucentralasia.eu/fileadmin/user_upload/PDF/Working_Papers/WP11.pdf].

⁴²³ Mikhail Troitskiy, "A Russian perspective on the Shanghai Cooperation Organization", in *The Shanghai Cooperation Organization*, Alyson J. K. Bailes, Pál Dunay, Pan Guang and Mikhail Troitskiy, SIPRI Policy Paper no.17, p.32.

⁴²⁴ Sergei Blagov, "Russia Urges Formation of Central Asian Energy Club", *EurasiaNet.org*, 6 November 2007, [<http://www.eurasianet.org/departments/insight/articles/eav110707a.shtml>].

⁴²⁵ "China pushes for regional energy club", *Xinhua*, 4 September 2012, [http://www.chinadaily.com.cn/business/2012-09/04/content_15733050.html].

⁴²⁶ Evgeny Petelin, "China's Energy Monologue in Central Asia", *Security Index: A Russian Journal on International Security*, vol. 17, issue 4, 2011.

⁴²⁷ "Chinese president addresses SCO on regional security", *English.news.cn*, 7 June 2012, [http://news.xinhuanet.com/english/china/2012-06/07/c_131637083.htm].

Russia, having lost its strategic advantage over energy transportation in 2010, wants to avoid being pulled southwards, where the U.S. “New Silk Road” strategy lies, and supports the expansion of the SCO’s operability beyond Eurasia towards the Pacific. The division of labor between Russia and China has been undergoing a readjustment, where the two larger member states generate initiatives in economic and security areas. The SCO’s mechanisms have provided a flexible framework for their evolving Central Asian policies, minimizing the necessity to compete in these spheres, especially since China has become Russia’s primary trading partner.⁴²⁸

The analysis of the internal dynamics, however, should not be reduced to discussions about Russia-China relations and their involvement in the SCO. The Organization plays an important role in the foreign, economic and security policy considerations of all Central Asian member states, especially with the scheduled 2014 withdrawal of foreign forces from Afghanistan. The Stans are in a unique position of promoting their interests through multi-vectoral foreign policies, by balancing the influence of Russia, the growing power of China and engaging in discussions with the EU, the U.S., NATO and the OSCE. The Stans hope to agree on “regional approaches to cooperation and security on an equal basis with the larger regional powers”.⁴²⁹ They have successfully balanced both great powers and benefited from their support in spheres that would not be backed by the EU or the U.S., due to democratic governance and human rights concerns.⁴³⁰ This overview of the SCO membership has shown that the Organization brings benefits to all

⁴²⁸ “China becomes Russia's top trade partner in first two months of 2012”, *English.news.cn*, 7 April 2012, [http://news.xinhuanet.com/english/china/2012-04/07/c_131511784.html].

⁴²⁹ Ruslan Maksutov, “The Shanghai Cooperation Organization: A Central Asian Perspective”, SIPRI Project Paper, Stockholm International Peace Research Institute, Stockholm, August 2006, p.4.

⁴³⁰ Detailed discussion about member states’ perspectives can be found in Stephen Aris, *Eurasian Regionalism: Shanghai Cooperation Organization*, New York, NY: Palgrave Macmillan, 2011, pp. 54-74.

states. How it helps the member states to constrain U.S. influence in the region is addressed in the later context of soft balancing cases.

Graduated Enlargement

In support of creating an environment of shared norms and common stances on major international relations issues among the SCO member states, the SCO has managed to form ties with different organizations and states beyond Central Asia. This creates a network of dialogue, which enables the SCO to spread its principles among likeminded countries and strengthen the impact of the soft balancing strategy towards the U.S.

It has already been noted in this chapter which regional organizations signed MOUs with the SCO and whether their collaboration is declaratory or supported by practical projects. The SCO maintains that the membership is “open to other states in the region that undertake to respect the objectives and principles of the Charter”.⁴³¹ In the 2002 Charter, however, the SCO did not specify either criteria for admitting new member states or regulations on the status of observers and dialogue partners. The SCO dealt with the observer status first and created a set of guidelines for states and intergovernmental international organizations that wished to receive observer status to the SCO.⁴³² The first observer to join the SCO was Mongolia (2004), followed by India, Iran and Pakistan (2005) and Afghanistan (2012).

Mongolia is the prime example where three major powers, the U.S., Russia and China, compete for influence. Blessed with resources, it is nonetheless cursed in

⁴³¹ Charter of the Shanghai Cooperation Organization, “Article 13”, 7 June 2002, [<http://www.sectsko.org/EN/show.asp?id=69>].

⁴³² The Regulations on Observer Status at the Shanghai Cooperation Organisation, The SCO Official website, 24 April 2004, [<http://www.sectsko.org/EN/show.asp?id=65>].

terms of location. In the short and medium term, the country will be dependent on Russia and China. It relies on Russia for energy (around 90% of supply of petroleum and fuel⁴³³) and transport via railways. An example of this dependency on Russia is the fact that Mongolia cannot directly facilitate the transportation of resources for investors. For instance, Australia's Aspire Mining signed a non-binding memorandum of understanding with JSC Russian Railways to extend the Trans-Mongolian Railway in northern Mongolia to facilitate deliveries of coal from the Ovoot mine.⁴³⁴ Additionally, Mongolia relies on China for exports of vegetables, rice and garments and the use of a port in Tianjin.⁴³⁵ Mongolians are afraid that their trade flows with China could be disrupted if Beijing decided to close the borders, as was the case in the past when the Dalai Lama was visiting Mongolia in 2002. Mongolia is still dependent on China for bilateral trade flows (which accounted for 86.1% of Mongolia's exports and 43.7% of imports as of 2011), and has been concerned about Chinese investment flows into mining and energy sectors, especially coal.⁴³⁶

It can be argued, however, that Mongolia has been trying to offset its dependence on China by regaining control over contracts concerning its natural resources. The Mongolian Parliament passed a law forbidding foreign state-owned companies from acquiring strategic industries, unless Ulaanbaatar approved the agreement. This law was supposed to reassure nationalists who were opposing the Ivanhoe Mines's plan to sell their shares to a Chinese state-owned aluminium

⁴³³ John C.K.Daly, "Russia Dominates Mongolia in the New "Great Game", *Eurasia Daily Monitor*, vol.5, issue 99, 23 May 2008, [http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=33662].

⁴³⁴ "Aspire Signs MOU With Russian Railways Mongolian Subsidiary", Aprire Mining Ltd, 21 June 2012, [http://www.aspiremininglimited.com/userfiles/file/332_20120621%20aspire%20signs%20mou%20with%20russian%20railways%20mongolian%20subsidiary.pdf].

⁴³⁵ "Steady growth in China-Mongolia trade, economic co-op", *People's Daily Online*, 19 June 2008, [<http://english.people.com.cn/90001/90776/90883/6433356.html>].

⁴³⁶ Ashley Lee, "Mongolia's new foreign investment law explained", *International Financial Law Review*, vol. 31, issue 5, June 2012, p.15; DFAT "Mongolia Fact Sheet", Canberra, Department of Foreign Affairs and Trade, December 2012, [<http://www.dfat.gov.au/geo/fs/mngl.pdf>].

manufacturer.⁴³⁷ Mongolia has sought to manage rising resource nationalism by diversifying its international partners as well as the creation of a Human Development Fund.⁴³⁸ Despite efforts to reduce dependency over one outside influence, Mongolia needs to balance all major players. While Peabody Energy from St. Louis has been one of the companies with access to Tavan Tolgoi's untapped coal deposits, Ulaanbaatar also decided to include China's Shenhua and a Russian-Mongolian consortium. At the same time, state-owned Erdenes Tavan Tolgoi (ETT) is involved to develop Mongolia's coal mining interests.⁴³⁹

Both Iran and Pakistan applied for full membership in the SCO. They, however, had to face a membership moratorium on the admission of new states imposed by the SCO Council of Foreign Ministers in May 2006. The SCO's position was that it lacked a proper admission mechanism to be able to process these applications. This situation has been resolved and the SCO has since drafted the obligations of a candidate country applying for SCO Membership, approved by the Heads of States on 11 June 2010.⁴⁴⁰

⁴³⁷ Dan Levin, "In Mongolia, a New, Penned-In Wealth", *The New York Times*, 26 June 2012, [

⁴³⁸ Hugh Stephens & Charles Krusekopf "Dragon on the steppes: How Mongolia got it wrong on China", *iPolitics*, 6 December 2012 [<http://www.ipolitics.ca/2012/12/06/dragon-on-the-steppes-how-mongolia-got-it-wrong-on-china/>]; "Giant copper mine offers Mongolia a cash bonanza", *South China Morning Post*, 14 December 2012 [<http://www.scmp.com/business/commodities/article/1075030/giant-copper-mine-offers-mongolia-cash-bonanza>].

⁴³⁹ "Mongolia picks Tavan Tolgoi coal miners", *The Australian*, 5 July 2011, [<http://www.theaustralian.com.au/business/mining-energy/mongolia-picks-tavan-tolgoi-coal-miners/story-e6frg9df-1226087780481>].

⁴⁴⁰ "The Regulation on the admission new of new member states to the SCO approved", [Утверждено Положение о порядке приема новых членов в ШОС], *Interfax.ru*, 11 June 2010, [<http://www.interfax.ru/politics/news.asp?id=140859>].

Based on these guidelines the applicant country:

- I. Must be located in the Eurasian region;
- II. Have diplomatic relations with all SCO member states;
- III. Maintain active trade and economic ties with them;
- IV. Have the status of observer or dialogue partner;
- V. Not be under UN sanctions;
- VI. Not be involved in an armed conflict with another state (s);
- VII. International obligations (in security field) must not be in conflict with international treaties or documents adopted by the SCO.⁴⁴¹

Iran's application has been put on hold until UN sanctions over its nuclear program are lifted.⁴⁴² Pakistan, who has been the most eager to join the SCO, has also been rejected.⁴⁴³ Its application has been dependant on India's stance on becoming a member state. Until recently the SCO was a low priority for India, although it expressed its 'interest' in becoming a full member. The latest reports at the time of writing (2012) have suggested that both India and Pakistan were soon expected to upgrade their status (currently as observers) within the SCO framework. The best case scenario would be to include Afghanistan, Pakistan and India simultaneously, because it is rather challenging to fight the 'three evils' along the Pakistani-Afghan border, if only Pakistan becomes a member state.⁴⁴⁴ India would also need to find

⁴⁴¹ Alexander Lukin, "Should the Shanghai Cooperation Organization Be Enlarged?", *Russia in Global Affairs*, 22 June 2011, [<http://eng.globalaffairs.ru/number/Should-the-Shanghai-Cooperation-Organization-Be-Enlarged---152451>].

⁴⁴² "Russia Rejects SCO Membership For Iran Until UN Sanctions Lifted", *RFE/RL*, 6 June 2012, [<http://www.rferl.org/content/russia-rejects-sco-membership-for-iran-until-un-sanctions-lifted/24605453.html>].

⁴⁴³ Malik Muhammad Ashraf, "The quest for peace, security and progress", *Pakistan Today*, 11 December 2012, [<http://www.pakistantoday.com.pk/2012/12/11/comment/columns/pakistan-and-sco/>].

⁴⁴⁴ Stephen Aris, *Eurasian Regionalism: The Shanghai Cooperation Organisation*, Basingstoke: Palgrave Macmillan, 2011, pp. 160-162.

ways to collaborate with Pakistan in this forum and to resolve its border dispute with China.⁴⁴⁵

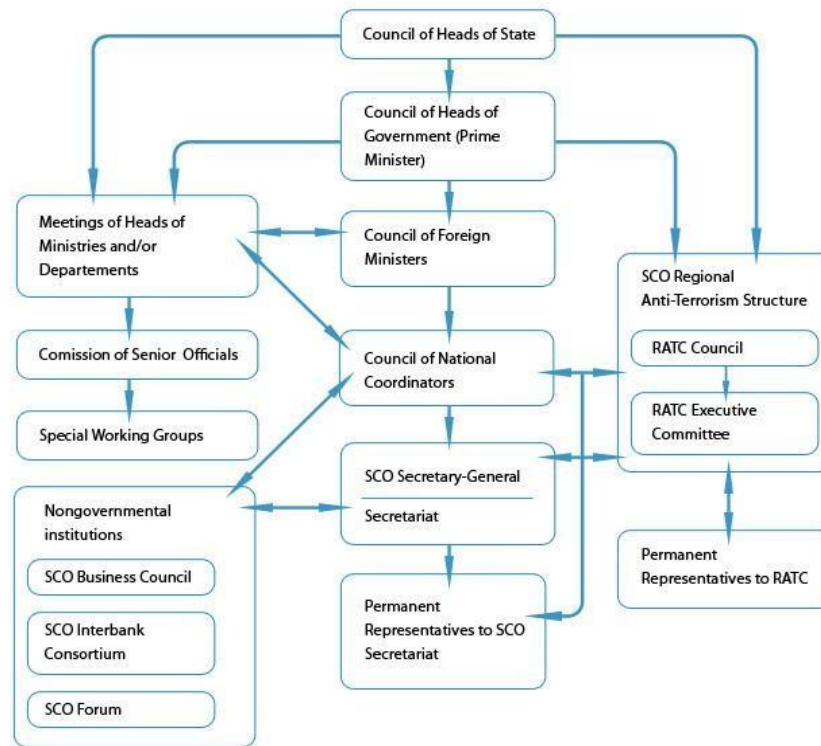
The SCO is an attractive forum for countries to join because it promotes cooperation based on flexible principles with no ‘strings attached’. Similar to ASEAN, the SCO evolves at a pace that suits all and decision-making is based on consensus. The collaboration among the member states, observers and dialogue partners takes place in an institutional framework, which is still evolving. However, there are two permanent bodies. One, the Secretariat, located in Beijing, provides the administrative functions for the SCO. The other is the Regional Anti-Terrorist Structure (RATS) which facilitates security cooperation (centred in Tashkent, Uzbekistan).

⁴⁴⁵ SCO further accepted Belarus and Sri Lanka (2010) and Turkey (2012) as ‘dialogue partners’. Belarus shifts the SCO’s sphere of influence closer to the EU borders and Turkey provides a bridge between Europe and Asia. Expression of interest in establishing contacts came from Egypt, Nepal, Serbia, Qatar, Azerbaijan (Alexander Lukin, “Should the Shanghai Cooperation Organization Be Enlarged?” *Russia in Global Affairs*, 22 June 2011) and Vietnam (Kirill Barsky, interview with the writer, Hanoi, 23 November 2011). Japan is also trying to find a way of how to collaborate with the SCO; it is suggested that Japan has “colorless” presence in Central Asia, with “all-around good ties” with the observer member states and could be viewed as a “getaway to Asia” vis-à-vis the West. See Akihiro Iwashita, “The Shanghai Cooperation Organization and Japan: Moving Together to Reshape the Eurasian Community”, *The Brookings Institute*, January 2008.

Institutional Framework

The SCO is structurally designed as an intergovernmental framework led by annual summits, and by regular meetings of the Heads of States and ministers.

Figure 8: Structure of the Shanghai Cooperation Organization



Source: Official Website of the Russian Federation Presidency of the SCO, [\[http://en.sco2009.ru/docs/sco/scheme.html\]](http://en.sco2009.ru/docs/sco/scheme.html)

The *Council of Heads of State* is the primary decision-making body, which provides the overall direction of the SCO and deals with all main issues and external relations.⁴⁴⁶ Article 4 of the Charter of the SCO stipulates that all other SCO bodies, except for the permanent SCO Regional Anti-terrorism structure, need to obtain approval from the Council of Heads of States with regards to their functions. Although the Council of the Heads of States sets out the priorities of this

⁴⁴⁶ Charter of the SCO, “Article 5”, [\[http://www.sectSCO.org/EN/show.asp?id=69\]](http://www.sectSCO.org/EN/show.asp?id=69).

organization, the pressing issues and formulations of agreements take place in advance within the *Council of the Heads of Governments* (prime ministers), which is responsible for economic issues, especially the SCO budget;⁴⁴⁷ and in the *Council of the Ministers of Foreign Affairs*, responsible for day-to-day activities and debates about international issues and external contacts.⁴⁴⁸

Each government selects a national coordinator who participates in the *Council of National Coordinators* and contributes to the organizing of all sessions of previously described SCO authorities. These coordinators represent their respective governments. The chairman of this Council comes from the country that hosts the Summit in that particular year.⁴⁴⁹ His operational mandate is to represent the Organization in all external affairs during his chairmanship.⁴⁵⁰ The former Russian National Coordinator, Ambassador Leonid Moiseev, provided several interviews during and after his chairmanship. Most notably he addressed the issue of the media portraying the SCO as an ‘Anti-NATO’ organization, and he highlighted two main challenges for the Organization: the Global financial crisis and Afghanistan.⁴⁵¹

In a recent interview, his successor, Ambassador-at-large Kirill Barsky, complained that biased views of the SCO still prevailed. He acknowledged that it was also the SCO’s role to provide reliable information about its activities and contribute to a more objective portrayal of what the SCO was and what it did.⁴⁵² In

⁴⁴⁷ Charter of the SCO, “Article 6”, [<http://www.sectSCO.org/EN/show.asp?id=69>].

⁴⁴⁸ Charter of the SCO, “Article 7”, [<http://www.sectSCO.org/EN/show.asp?id=69>].

⁴⁴⁹ Rotation in summits is based on Russian alphabet.

⁴⁵⁰ Charter of the SCO, “Article 9”, [<http://www.sectSCO.org/EN/show.asp?id=69>].

⁴⁵¹ Moiseev, Leonid, “SCO braces itself for the crisis”, Interview, *RT*, 16 June 2009 [<http://rt.com/programs/spotlight/sco-braces-itself-for-the-crisis/>].

⁴⁵² Interview with Kirill Barsky, “The St. Petersburg meeting of Heads of Government of the SCO - to translate the agreement into action”, [Задача петербургской встречи глав правительств стран ШОС - перевести договоренности на язык практических действий], InfoSCO, 2 November 2011, [<http://infoshos.ru/ru/?idn=9019>]; Interview with the writer, Hanoi, Vietnam, 23 November 2011.,

a 2012 article for *International Affairs*, Barsky argues that despite pursuing active multi-vectoral foreign policies, the Central Asian nations view the SCO as “ ‘an umbrella’ over them, beneath which each of the participants felt more comfortable and received the opportunity by collective efforts to defend their own and promote region-wide interests”.⁴⁵³ His assessment addresses the issue of destabilizing factors to regional stability. He draws his examples from countries in North Africa and the Middle East and explains that the SCO member states need to work together if they wish to protect themselves from so-called “Twitter revolutions” and be ready to prevent and respond to all kinds of internal and regional crises.⁴⁵⁴ One initiative that came out of the SCO summit in Yekaterinburg in 2009 was an amendment of the *SCO Regulations on Politico-Diplomatic Measures and Mechanisms to Respond to Situations Endangering Peace, Security and Stability in the Region*. The SCO member states became committed to the use of various non-military measures for crisis prevention and response. One area of successful coordination has been the domain of cyberspace. An *Agreement on Cooperation in the Field of International Information Security* was passed in 2009, with the aim of countering criminal, military-political and terrorist threats via cyberspace. Work was undertaken to construct effective mechanisms of interaction among the six full member states.⁴⁵⁵

The SCO did not refrain from raising the issue of the ‘digital gap’ between states: the more developed parties ‘monopolize’ the production of software/hardware, creating dependence on these products from the less developed states whose chances of participating in international information technology collaborations

⁴⁵³ Kirill Barsky, “Central Asia Under the SCO’s ‘Impermeable Umbrella’”, *International Affairs*, no.4, 2012, pp. 151-163.

⁴⁵⁴ Ibid.

⁴⁵⁵ Yu Bin, “China-Russia Relations: Summitry: Between Symbolism and Substance”, *Comparative Connections*, vol.11, no.2, CSIS, 14 July 2009, [http://csis.org/files/publication/0902qchina_russia.pdf].

dwindle, as underlined by the above-noted SCO Agreement in the field of International Information Security in 2009. The SCO member states believed that the prevailing conventions lacked adequate codes of conduct in communications between different countries, omitting a broad spectrum of cyber-security abuses which could escalate into cyber-conflict. Russia's SCO National Coordinator, Ambassador Barsky, described the Council of Europe Convention on Cybercrime (2001), which came into force on 1 July 2004, as less than satisfactory.⁴⁵⁶

Consequently, China, Russia, Tajikistan and Uzbekistan, submitted a draft of the International Code of Conduct for Information Security before the 66th United Nations General Assembly Meeting on 12 September 2011. This initiative should be viewed in the context of reports singling out Russia and China as among the worst 'culprits' of cyber-attacks, as "aggressive and capable collectors of US economic information and technologies".⁴⁵⁷

While all parties agree on areas of common concern, such as cyber-crime, they greatly diverge over controlling Internet content. The SCO advocates (1) restraining dissemination of information which provokes the 'three evils' (terrorism, extremism, separatism) and (2) preventing other nations from using their core technologies to destabilise economic, social and political stability and security. The external parties, who prefer the use of term 'cyber security', rather than 'information security', argue that rigid or incorrect government regulations can cause more harm to cyberspace security, claiming that private sector engagement is inevitable in the formulation of a constructive international norm.

⁴⁵⁶ Kirill Barsky, interviewed by author, Hanoi, Vietnam, 23 November 2011.

⁴⁵⁷ Foreign Spies Stealing US Economic Secrets in Cyberspace, Report to Congress on Foreign Economic Collection and Industrial Espionage 2009-2011, October 2011, [http://www.ncix.gov/publications/reports/fecie_all/Foreign_Economic_Collection_2011.pdf].

It needs to be remembered, though, that the SCO is more than a mere collection of governments; that is, it is more than the sum of its parts, and policy (even if it is perceived by external observers as ‘rigid’) does emerge from a cooperative process. The national coordinators are closely connected to the primary permanent administrative body of the SCO, the *Secretariat*, based in Beijing. Since 2004, it has had the duty to deposit documents approved by the SCO bodies. Article 11 of the SCO Charter highlights the beginnings of a supranational role for the Secretariat, though the organization as a whole remains largely reliant on inter-governmental processes. Neither the Executive Secretary, elected for a non-renewable three year period, nor the three Deputies of the Executive Secretary, should receive instructions from their national governments, organizations or other people.⁴⁵⁸

The Secretariat is the main point of contact for all observers, dialogue partners and external parties. It organizes briefings for internet and print media. The member states are obliged to supply all relevant open materials and reference books that the Secretariat might need to fulfill the needs of the SCO authorities. The Secretariat is funded from the contributions from member states. China and Russia pay 24 per cent of the budget, followed by Kazakhstan with 21 per cent, Uzbekistan with 15 per cent, Kyrgyzstan with 10 per cent and Tajikistan with 6 per cent. Beijing and Moscow each have seven positions in the Secretariat out of the 30 available roles.⁴⁵⁹ Despite having a ‘supranational status’ within the SCO structure in theory, the Secretariat is still substantially dependent on individual governments when it comes to staffing, and the Council of Foreign Ministers, when considering its

⁴⁵⁸ Charter of the SCO, “Article 14” [<http://www.sectSCO.org/EN/show.asp?id=69>].

⁴⁵⁹ Matthew Oresman, “The Shanghai Cooperation Summit: Where Do We Go From Here?” *China and Eurasia Forum Quarterly*, January 2004, [http://www.silkroadstudies.org/new/docs/CEF/CEF_January.pdf].

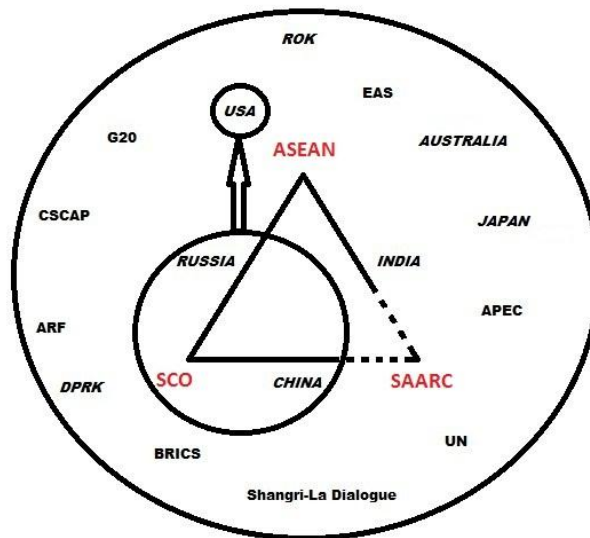
budget. It is inevitable for the Secretariat to take on more responsibilities, especially in relation to hiring and terminating staff. Otherwise, it will continue facing premature recalls of staff by their ministries of foreign affairs or working with employees who are close to their retirement age and can be spared by their governments.⁴⁶⁰ Constructive reforms would strengthen the coordination of SCO activities and further consolidate its ties with the outside world. Then again, the heavy involvement of all heads of states in the SCO decision-making allows for decisions to be put to practice faster and have a greater impact when the SCO opts for the soft balancing strategy.

Soft Balancing Behaviors and Mechanisms

This thesis argues that SCO member states conduct soft balancing as they build, expand and adjust the scope of this regional organization. They employ non-military tools (territorial denial and norms) to constrain the power of the U.S. (Figure 9), whose prolonged military operations in the region have been perceived as threatening. This view rests on two premises. The first is that the U.S. and its allies, in the aftermath of the 9/11 attacks, based their troops in Central Asia in order to conduct operations against the Al-Qaeda terrorist network and wage a war in Afghanistan and subsequently in Iraq. The U.S. additionally provided foreign assistance to the Stans as a token of appreciation for allowing these troops to use Central Asian states' territories and their airspace. The second premise, underlined by a broader agenda, concerns U.S. efforts to establish pro-Western democratic governance in the Stans.

⁴⁶⁰ Alexander Lukin, "Should the Shanghai Cooperation Organization Be Enlarged?" *Russia in Global Affairs*, 22 June 2011.

Figure 9: SCO's soft-balancing strategy towards the U.S.



Both premises should be viewed in the context of discontent by Russia and China with the foreign military presence in their neighborhood and their opposition to external pressures to impose a Western model of democracy without taking into consideration local cultures and politico-historical traditions. Leaders in Moscow and Beijing believe that the Color Revolutions of 2005-2007 were a “series of contagious and illegitimate political changes in Eurasia”, which led to a “collective sense of threat” among SCO member states.⁴⁶¹ As a result, governments in the Stans, Russia and China increased their control over the media, advocacy networks and political activism to maintain the order and stability of their regimes.⁴⁶²

The following section tests the soft balancing argument through analysis of the SCO’s response to hosting the U.S. military in Uzbekistan and the SCO’s resistance to democratization efforts from the West by promoting the “Shanghai

⁴⁶¹ Titus C. Chen, “China’s Reaction to the Color Revolutions: Adaptive Authoritarianism in Full Swing”, *Asian Perspective*, vol. 34, no. 2, 2010, p.5; Evgeny Finkel and Yitzhak M. Brudny, “Russia and the colour revolutions”, *Democratization*, vol.19, no.1, 2012, pp.15-36.

⁴⁶² Jennifer Murtazashvili, “Coloured by revolution: the political economy of autocratic stability in Uzbekistan”, *Democratization*, vol. 19, no.1, 2012, pp. 78-97.

Spirit”. Drawing on Adler and Barnett’s study of security communities,⁴⁶³ three indicators are used to evaluate the behavior and discourse of SCO members: shared meeting of structures and values, mutual identification among community members, and compliance with norms and practices accepted by the group.

It is first necessary to assess whether the SCO is acting as an emerging community, based on these indicators. The first indicator, related to the 2002 SCO Charter, emphasizes the shared adherence to principles of sovereignty, territorial integrity of states and non-interference in internal affairs among SCO members.⁴⁶⁴ The second indicator stresses the sense of mutual identity, when member states would identify security with SCO partners rather than external powers, in this case the U.S. The third indicator refers to internalized norms and behavior that members of the SCO expect, based on the Shanghai Spirit. The SCO members promote the Shanghai Spirit as a distinctive and new international relations norm, which calls for “mutual trust and benefit, equality, respect for cultural diversity, and desire for common development”.⁴⁶⁵ In the procedural sense, decision making within the SCO is based on consultation and consensus, when a member state should take into consideration the views of SCO partners and is committed to solutions that bear in mind regional development guided by SCO principles.⁴⁶⁶

⁴⁶³ Adler, Emanuel and Barnett, Michael, “A framework for the study of security communities” in *Security Communities*, ed. Emanuel Adler and Michael Barnett, Cambridge: Cambridge University Press, 1998.

⁴⁶⁴ SCO Charter, Article 2 “Principles”, [<http://www.sectSCO.org/EN/show.asp?id=69>].

⁴⁶⁵ “Hu Jintao gives interview to SCO reporters”, Chinese Government’s Official Web Portal, 30 May 2006, [http://english.gov.cn/2006-05/30/content_295924.htm]; See also: Cheng Guoping, PRC Vice Foreign Minister, “The Shanghai Cooperation Organization: A Cause Worth Ceaseless Efforts”, Ministry of Foreign Affairs of the PRC, 29 May 2012, [<http://big5.fmprc.gov.cn/gate/big5/www.fmprc.gov.cn/eng/zxxx/t936026.htm>].

⁴⁶⁵ Declaration of the Heads of State of the Member States of the Shanghai Cooperation Organization on Building a Region of Lasting Peace and Common Prosperity, Ministry of Foreign Affairs of the People’s Republic of China, 7 June 2012, [<http://www.fmprc.gov.cn/eng/zxxx/t939149.htm>].

⁴⁶⁶ The third indicator is further assessed in the next chapter, when Russia’s involvement in the 2008 Russia-Georgia War in the South Caucasus is discussed.

Is the SCO a 'Community'?

The SCO can be viewed as a 'diplomatic community' acting on the basis of a shared regional identity in order to conform to a soft balancing strategy. The SCO grew from a similar situation to ASEAN during its establishment in relation to balancing internal and external security threats. The SCO does not hold a direct mandate to promote the regime security of its member states; however, through its principles, it provides an environment where member states discuss countering threats that cause violations of territorial sovereignty, interfere with domestic affairs and advocate secession. A major challenge to the SCO's approaches and principles came in 2005, when Kyrgyzstan experienced the so-called 'Tulip Revolution' and the public not only demanded more democratic reforms (such as during demonstrations in Georgia, the Rose Revolution in 2003 or Ukraine, the Orange Revolution in 2004) but also resorted to violence, and therefore, challenged the notion of the invincibility of post-Soviet authoritarian regimes.⁴⁶⁷ These gains, however, were temporary. In 2007, data showed that the Kyrgyz democratic opening was starting to wear away, based upon power sharing by political elites across political boundaries and collusive business interests.⁴⁶⁸

The following cases highlight examples of when the SCO was a relevant platform for member states and acted as a cohesive group, managing the U.S. military presence in the region and resisting Western forms of democracy.

⁴⁶⁷ Marc Lanteigne, "In Medias Res: The Development of the Shanghai Cooperation Organization as a Security Community", *Pacific Affairs*, vol. 79, no. 4, Winter, 2006/2007, pp. 605-622.

⁴⁶⁸ Thomas Ambrosio, "Catching the 'Shanghai Spirit': How the Shanghai Cooperation Organization Promotes Authoritarian Norms in Central Asia", *Europe-Asia Studies*, vol.60, no.8, October 2008, p.1329. See further Vicken Cheterian, "Kyrgyzstan: Central Asia's Island of Instability", *Survival*, vol. 52, no 5, October-November 2010, pp.21-27; Cholpon Orozobekova "Kyrgyzstan: Bishkek Food Prices Soaring, Discontent Brews", *Eurasianet.org*, 3 March 2011 [<http://www.eurasianet.org/node/62999>].

Soft Balancing: Case of Territorial Denial

The first case discusses the soft balancing case of ‘territorial denial’, when Uzbekistan requested that the U.S. vacate the airbase at Karshi-Khanabad (K2), a decision which constrained the U.S. operability in the region. This move was supported by the SCO’s Declaration in Astana in June 2005. Uzbekistan, driven by a desire to distance itself from Russia, welcomed the opportunity to strengthen its ties with the U.S. in the mid-1990s. President Karimov agreed to send Uzbek officers to the U.S. for training and possible joint military exercises during his meeting with the U.S. Defense Secretary William Perry, the Uzbek Defense Minister Rustam Akhemedov and Uzbek Foreign Minister Abdul Aziz Komilov in Tashkent in April 1995.⁴⁶⁹ Military relations with the U.S. were enshrined in the Memorandum of Understanding (MOU) signed by Perry and Akhemedov on 13 October 1995.⁴⁷⁰ The MOU additionally invited Uzbekistan to participate in NATO’s Partnership for Peace Program.

Ties between Washington and Tashkent further consolidated in the aftermath of the 9/11 terrorist attack. The Karimov government, in need of a greater cooperation against the threat from Islamic militancy in the region, immediately facilitated the opening up of Uzbek airspace for the U.S. and allies engaged in the attack on the Taliban in Afghanistan. In a televised meeting with Uzbek security officials, Karimov praised the U.S. decisiveness to eradicate terrorism and proclaimed that Uzbekistan would “make its own contribution to the liquidation of camps and bases

⁴⁶⁹ President Karimov voiced his criticism of Russia and Uzbekistan’s calls for more independence during Perry’s visit. See: “Uzbek Leader Says ‘Imperial Ambitions’ Rising in Russia”, *Associate Press*, 6 April 1995, [<http://www.apnewsarchive.com/1995/Uzbek-Leader-Says-Imperial-Ambitions-Rising-in-Russia/id-41b56ce49c7b8dce29ab6a486d0276851>].

⁴⁷⁰ “United States and Uzbekistan defense chiefs sign Memorandum of Understanding”, U.S. Department of Defense, 13 October 1995, [<http://www.defense.gov/releases/release.aspx?releaseid=648>].

of terrorists in Afghanistan and [Tashkent] was ready to make its airspace available for this purpose”.⁴⁷¹

This collaboration should be viewed in the context of the overall U.S. strategy in Central Asia, itself largely galvanized by the need to intervene in Afghanistan. In the wake of September 11’, security became the primary driver in U.S.-Central Asia relations. The U.S. administration outlined its priorities in the *2002 National Security Strategy* which specifically highlighted the need for India and Pakistan to resolve their disputes and the requirement to expand U.S. bases “beyond Western Europe and Northeast Asia, as well as temporary access arrangements for the long-distance deployment of U.S. forces”.⁴⁷² However, Central Asia was mentioned in this document only in relation to enhancing energy security.

Deeper political and military links were built with Kyrgyzstan and Uzbekistan, which provided the U.S. with basing rights at two locations in Central Asia, Manas in Kyrgyzstan and K2 in Uzbekistan, in order to support the Operation Enduring Freedom. The use of the air base at K2 was under favorable conditions for the U.S. through the U.S.-Uzbek status of forces agreement (SOFA). The U.S. was allowed to use the airspace for up to 1500 U.S. troops in exchange for security guarantees for Uzbekistan, as well as the prospect of ongoing developmental and military aid.⁴⁷³ Additional support came from Tajikistan, which allowed the use of its international airport in Dushanbe for refuelling, while Kazakhstan and Turkmenistan permitted U.S. forces to fly through their airspace.⁴⁷⁴ Some argued

⁴⁷¹ Sebastian Alison, “Uzbekistan opens airspace to U.S. warplanes”, *Afghanistan News Center*, 2 October 2001, [<http://www.afghanistannewscenter.com/news/2001/october/oct1q2001.html>].

⁴⁷² The 2002 National Security Strategy of the United States of America, U.S. Department of State, September 2002, [<http://www.state.gov/documents/organization/63562.pdf>].

⁴⁷³ Jim Nichol, Uzbekistan’s Closure of the Airbase at Karshi-Khanabad: Context and Implications, CRS Report for Congress, 7 October 2005, [<http://www.policyarchive.org/handle/10207/bitstreams/4245.pdf>]

⁴⁷⁴ Jim Nichol, “Central Asia: Regional Developments and Implications for U.S. Interests”, CRS Report for Congress, 19 September 2012, p.33, [<http://www.fas.org/sgp/crs/row/RL33458.pdf>].

that setting up these bases was not a matter of logistics, but rather to prevent the ‘Afghanization’ of Central Asia and curb the influence of the terrorist networks, which could spread to neighboring regions and eventually threaten the U.S.⁴⁷⁵

Risks for Uzbekistan

Uzbekistan’s cooperation with the U.S. had its drawbacks. The presence of the U.S. military on Uzbek territory antagonized radical Islamic groups, especially the IMU (the Islamic Movement of Uzbekistan). The lack of predictable results in the war in Afghanistan meant that Uzbekistan had to balance ties with Russia to avoid a risk of being isolated in the region if the Operation Enduring Freedom failed.⁴⁷⁶ Nevertheless, in the aftermath of 9/11, both Russia and Uzbekistan benefited from the U.S. presence and financial assistance in the region. Russia, unable to afford the funding of wider counter-terrorist operations, focused on domestic terrorism in Chechnya. Uzbekistan and Russia agreed to collaborate in the energy sector and Russia became Uzbekistan’s major buyer of natural gas. On the other hand, Tashkent systematically limited engagement in Russian-led regional forums, for fear of falling under Moscow’s influence. For example, even though originally a member of the CSTO, Uzbekistan suspended its membership in 1999, returned to cooperation again from 2006, but again sought to withdraw from membership through June-December 2012. This pattern was based on fears of Russian and

⁴⁷⁵ Fiona Hill, “The United States and Russia in Central Asia: Uzbekistan, Tajikistan, Afghanistan, Pakistan, and Iran, The Brookings Institution, 15 August 2002, [http://www.brookings.edu/speeches/2002/0815russia_hill.aspx]. Discussion about various scenarios of the regional development can be found in “1st GCSP-OSCE Academy Seminar: “Central Asia 2008”, reported by Selbi Hanova, Geneva Centre for Security Policy, 2008, [<http://www.gcsp.ch/Leadership-in-Conflict-Management/International-Security/Publications/GCSP-Publications/Geneva-Papers/Conference-Series/Central-Asia-Seminars-1st-GCSP-OSCE-Academy-Seminar-Central-Asia-2008>].

⁴⁷⁶ Minton F. Goldman, *Rivalry in Eurasia: Russia, the United States, and The War on Terror*, Santa Barbara, CA: ABC-CLIO, LLC, 2009, p.125.

Kazakhstan's perceived domination of the organization, and the claim that the CSTO did not take into account Uzbekistan's views.⁴⁷⁷

The final major limitation to U.S.-Uzbek relations was the U.S. pressure on Karimov's government to limit his control over political life and improve human and civil rights practices in Uzbekistan. U.S. Department of State stated in its annual Human Rights report in 2004-2005 that:

Uzbekistan is an authoritarian state with limited civil rights... President Islam Karimov and the centralized executive branch that serves him dominate political life and exercise nearly complete control over the other branches...The Government's human rights remained very poor, and it continued to commit numerous serious abuses...The Government employed official and unofficial means to restrict severely freedom of speech and the press, and an atmosphere of repression stifled public criticism of the Government.⁴⁷⁸

Human Rights Watch (HRW) described this situation as a major test of U.S. human rights policy in the post-9/11 period. The report highlighted positive aspects of the U.S. policy towards Uzbekistan, especially making the U.S. aid conditional on Tashkent's improvement of rights in Uzbekistan. On the other hand, HRW viewed such 'progress' unfavorably when the State Government released a new assistance package of \$16 million for military and security enhancement.⁴⁷⁹

The tipping point for the Uzbek government was Washington's request for an investigation of the 2005 violence in Andijan during which hundreds of civilians

⁴⁷⁷ RFE/RL "Uzbekistan suspends membership in CSTO", *Radio Free Europe/Radio Liberty*, 28 June 2012 [<http://www.rferl.org/content/uzbekistan-csto-suspends-membership/24629244.html>]; John Chipman et al. *Military Balance*, London, IISS, 2011; Roger McDermott, "Moscow boosts CSTO military dimension: on paper", *Eurasia Daily Monitor*, The Jamestown Foundation, vol. 7, issue 17, January 26, 2010.

⁴⁷⁸ U.S. Department of State, Bureau of Democracy, Human Rights and Labor, "Uzbekistan: 2003 Country Reports on Human Rights Practices", 25 February 2004, [<http://www.state.gov/j/drl/rls/hrrpt/2003/27873.htm>] and "Uzbekistan: 2004 Country Reports on Human Rights Practices", 28 February 2005, [<http://www.state.gov/j/drl/rls/hrrpt/2004/41717.html>].

⁴⁷⁹ "Uzbekistan", Human Rights Watch World Report 2003, Human Rights Watch, 2003, [<http://www.hrw.org/legacy/wr2k3/europe16.html>].

died or were wounded.⁴⁸⁰ The government brutally suppressed popular antigovernment demonstration in the southeastern part of Uzbekistan, Ferghana Valley, which is a “knot of difficult problems: disputed border territories, interethnic tensions, the activities of Islamic radicals”.⁴⁸¹ This uprising was a response to adverse economic policies and anger over jailing those who practiced their religion at mosques which were not registered by the state. A trial with 23 local businessmen who were arrested for ‘religious extremism’ triggered the protests.⁴⁸² The protesters broke into Andijan prison and rescued as many as 500 prisoners, rampaged and demanded democratic freedoms and employment opportunities.⁴⁸³ President Karimov refused to comply with the request from abroad to conduct a thorough investigation. The European Union imposed a visa ban on 12 Uzbek officials who were “directly responsible for the indiscriminate and disproportionate use of force and for the obstruction of an independent inquiry”.⁴⁸⁴ Additionally, the EU embargoed military equipment and arms. The U.S. condemned the raid on the prison; however they mainly criticized the Karimov government for repression, though thereafter military and developmental aid was reduced.⁴⁸⁵

⁴⁸⁰ Sources report that ‘hundreds’ of people died during this incident. International Crisis Group reported ‘750 people’ in “Uzbekistan: the Andijon Uprising”, Asia Briefing no.38, Brussels, 25 May 2005, [http://www.crisisgroup.org/~media/Files/asia/central-asia/uzbekistan/b038_uzbekistan_the_andijon_uprising.pdf]. BBC News provided an account of how this event unfolded.” How the Andijan killings unfolded”, *BBC News*, 17 May 2005, [<http://news.bbc.co.uk/2/hi/4550845.stm>].

⁴⁸¹ Igor Rotar, “Will the Fergana Valley Become a Hotbed of Destabilization in Central Asia?”, *Eurasia Daily Monitor*, vol. 9, issue 180, October 3, 2012, [[http://www.jamestown.org/programs/edm/single/?tx_ttnews\[tt_news\]=39924&cHash=768b895149248bff881e96958af06c6d1](http://www.jamestown.org/programs/edm/single/?tx_ttnews[tt_news]=39924&cHash=768b895149248bff881e96958af06c6d1)].

⁴⁸² Minton F. Goldman, *Rivalry in Eurasia: Russia, the United States, and The War on Terror*, Santa Barbara, CA: ABC-CLIO, LLC, 2009, pp.130-131.

⁴⁸³ International Crisis Group, “Uzbekistan: the Andijon Uprising”, Asia Briefing no.38, Brussels, 25 May 2005, 2005.

⁴⁸⁴ “Uzbekistan Adopts Restrictive Measures”, Press release 14392/05, Council of the European Union, 14 November 2005.

⁴⁸⁵ U.S. State Department Spokesman Richard Boucher in the daily press briefing, Washington, D.C., 16 May 2005, [<http://www.scoop.co.nz/stories/WO0505/S00256/state-dept-daily-press-briefing-may-13-2005.html>].

Russia and China did not request an investigation and did not criticize the Uzbek government. Russia's Foreign Minister, Sergei Lavrov, stated that "militants from fundamentalist organisations and Talibs, among others, have long been planning an invasion of Uzbekistan's territory".⁴⁸⁶ The Chinese Foreign Ministry expressed their 'delight' that the situation in Andijan was under control.⁴⁸⁷ The Kyrgyz Acting President Bakiev summed up the situation in Ferghana Valley as bearing "the hallmarks of extremism".⁴⁸⁸

Condemnation and constant pressure from the U.S. to investigate the situation resulted in Uzbekistan's restrictions on U.S. use of the K2 base. Bans on night-time operations and limits on the number of flights and of heavy cargo aircraft were imposed, which disadvantaged the troops considering they needed aircraft for search and rescue operations available at all times. As a result, they were forced to relocate to Bagram airbase in Afghanistan where refuelling was comparatively difficult.⁴⁸⁹

The SCO came out in support of Uzbekistan's action to expel Western forces from K2. The member states released a declaration in Astana on 6 July 2005:

Today we are noticing the positive dynamics of stabilizing the internal political situation in Afghanistan. A number of the SCO member states provided their ground infrastructure for temporary stationing of military contingents of some states, members of the coalition, as well as their territory and air space for military transit in the interest of anti-terrorist cooperation. Considering the completion of the active military stage of anti-terrorist operation in Afghanistan, the member states of the Shanghai Cooperation Organization consider it necessary that respective members of the antiterrorist coalition set a final timeline for their temporary use of

⁴⁸⁶ "Russia's Lavrov denies parallels between CIS revolutions, Uzbek events", *Itar-Tass*, Moscow, 17 May 2005,

⁴⁸⁷ "FM Spokesman: China 'delighted to see Andijon turmoil under control'", *People's Daily*, 17 May 2005,

⁴⁸⁸ International Crisis Group, p.7.

⁴⁸⁹ Ethan Wilensky-Lanford, "Uzbeks Threaten to Evict U.S. from Afghanistan", *The New York Times*, 8 July 2005, [http://www.nytimes.com/2005/07/08/international/asia/08uzbek.html?_r=0].

the above-mentioned objects of infrastructure and stay of their military contingents on the territories of the SCO member states.⁴⁹⁰

On 29 July 2005, Tashkent officially demanded the termination of the U.S. military presence at K2 within 180 days. Uzbekistan honored the U.S.-Uzbek status of forces agreement, which indicated “180 days” as a suitable period for vacating the airbase. In the aftermath of this eviction, the U.S. became increasingly dependent on Kyrgyzstan, which in the words of Martha Brill Olcott was “weak and at best incompetent” in terms of providing a stable partnership.⁴⁹¹

This termination of the U.S.-Uzbek agreement was welcomed among the SCO member states. During this process both Russia and China offered collaboration in various spheres to Tashkent. The Chinese approached the situation through strengthening economic cooperation with Uzbekistan. During a state visit in Beijing, President Karimov signed a treaty of “partnership, friendship and cooperation” and over 20 economic contracts (worth \$1.5 billion). Russia, on the other hand, extended its support in the military sphere and announced joint exercises on Uzbek territory.⁴⁹² This collective psychological support for the Karimov regime was a sign of appreciation from these countries; Uzbekistan restricted U.S. operability and signalled the ending of the U.S. presence on Uzbek territory. The SCO here was used as a soft balancing mechanism providing protection from

⁴⁹⁰ Declaration of Heads of Member States of the Shanghai Cooperation Organization” [ДЕКЛАРАЦИЯ глав государств-членов Шанхайской организации сотрудничества], Astana, 5 July 2005, [<http://www.sectsc.org/RU123/show.asp?id=981>] (the English translation of the Declaration is no longer available on the official website); Pan Guang, “The SCO’s Success in Security Architecture”, in *The Architecture of Security in the Asia-Pacific*, ed. Ron Huiskens, Canberra: ANU E Press, 2009, pp.36-37.

⁴⁹¹ Martha Brill Olcott, “Prospects for Political Change in Uzbekistan,” Testimony before the U.S. Helsinki Committee, Briefing on Prospects for Political Change, 25 July 2006, [<http://carnegieendowment.org/2006/07/25/prospects-for-political-change-in-uzbekistan/466u>].

⁴⁹² Yu Bin, “China-Russia Relations: Politics of Anniversaries and Beyond”, *Comparative Connections*, vol. 7, no.2, Pacific Forum CSIS, Honolulu, Hawaii, July 2005, <http://www.isn.ethz.ch/isn/Digital-Library/Publications/Detail/?ots591=cab359a3-9328-19cc-a1d2-8023e646b22c&lng=en&id=22868>].

Western criticisms, allowing a less powerful Central Asian state to stand up to the U.S.

Normative Soft Balancing: Sovereign Democracy and the Shanghai Spirit

The SCO not only contributes to equality and solidarity among the SCO member states, it also provides a security umbrella for member states' regimes. Infusion of democratic principles undermines the regime status quo and therefore poses a threat to the existing leadership. This can gradually disrupt policy coordination with likeminded countries. The research into this phenomenon reveals that there is an increased tendency among authoritarian regimes to collaborate in order to reduce chances for a regime change.⁴⁹³ This thesis argues that these governments develop a shared understanding about this common threat and use their cooperation within a regional organization to soft balance against states trying to influence political systems and impose democratic concepts in line with the Western world.⁴⁹⁴ The SCO is one such organization, which has opposed intervention from the U.S. by supporting regime preservation in its member states.

The SCO was referred to in the media as a “club of authoritarian states”⁴⁹⁵ or an “anti-Western front”,⁴⁹⁶ while the Russian leadership has argued that the Organization's purpose was to “become a modern organization of a new type in

⁴⁹³ Andrew Kuchins, “Will the Authoritarians of the World Unite?” *Moscow Times*, 28 March 2006; Thomas Ambrosio, *Authoritarian Backlash: Russian Resistance to Democratization in the Former Soviet Union*, Farnham: Ashgate, 2009.

⁴⁹⁴ This argument was raised in Mark N. Katz, “The Shanghai Cooperation Organization – A View from the US”, in *Toward a New Dialogue on Eurasia: The Shanghai Cooperation Organization and Its Partners*, ed. Akihiro Iwashita, Slavic Research Center, 2007, pp. 15-19; Matthew Oresman and Zamir Charginov, “The Shanghai Cooperation Summit: Where Do We Go From Here?” in *Special Edition: The SCO at One*, CEF Quarterly, *The Journal Of The China-Eurasia Forum*, July 2005, [http://www.silkroadstudies.org/new/docs/CEF/CEF_Quarterly_July_2005.pdf].

⁴⁹⁵ David Wall, “The Shanghai Cooperation Organisation: uneasy amity”. *openDemocracy*, 15 June 2006, [http://www.opendemocracy.net/globalization-institutions_government/shanghai_cooperation_3653.jspl].

⁴⁹⁶ Oleg Artyukov, “Shanghai Cooperation Organization to become a serious concern for the USA”, *Pravda*, 16 June 2006, [<http://english.pravda.ru/world/asia/16-06-2006/82105-shanghai-0/>] ; Fels 2009, pp. 28-32.

line with the demands of [a] multi-polar world”.⁴⁹⁷ The members argue that it is necessary to accept the diversity among nations and their political systems and maintain the Westphalian principles of state sovereignty and non-interference in domestic affairs. These states act defensively by employing soft balancing towards external regime changers. These strategies are used on unilateral, bilateral and multilateral levels. Although this thesis explores the behavior of states through regional organizations, examples are used to explain how soft balancing by using soft power tools of individual member states supports overall efforts of containing those supporting regime change. The primary objective of policy coordination is preserving the status quo.

One of the ways of countering the Western normative agenda is the promotion of “sovereign democracy”, in which the interference from democratic movements and non-governmental organizations is not welcomed and is suppressed.⁴⁹⁸ This concept is highly supported in Russia, where it was first explained by Victor Surkov, the Kremlin aide, during the United Russia seminar in February 2006.⁴⁹⁹ Surkov argued that the main threats to Russia’s sovereignty are “international terrorism, military conflict, lack of economic competitiveness, and ‘soft’ takeovers by ‘orange technologies’ [U.S. - and Western-supported opposition movements] in a time of decreased national immunity to foreign influence.”⁵⁰⁰

This thinking is in line with the social-constructivist ‘socialization’ view, which argues that norms and values are transmitted through social interactions and

⁴⁹⁷ Sergei Blagov, “Shanghai Cooperation Organization Prepares for New Role”, *EurasiaNet.org*, 28 April 2002, [<http://www.eurasianet.org/departments/insight/articles/eav042902.shtml>].

⁴⁹⁸ Eugene B. Rumer, “China, Russia and the Balance of Power in Central Asia”, Washington, D.C.: Institute for National Strategic Studies, p.6.

⁴⁹⁹ Masha Lipman, “Putin’s ‘Sovereign Democracy’”, *The Washington Post*, 15 July 2006, [<http://www.washingtonpost.com/wp-dyn/content/article/2006/07/14/AR2006071401534.html>];

⁵⁰⁰ Surkov in Ariel Cohen, Putin’s Legacy and United Russia’s New Ideology, Background no.1940, the Heritage Foundation, 1 June 2006, [<http://www.heritage.org/research/reports/2006/06/putins-legacy-and-united-russias-new-ideology>].

persuasion, with target states then internalizing these new norms.⁵⁰¹ ASEAN is a primary example of a regional organization that has been promoting its own norms and elevated concepts of non-interference and sovereignty to strengthen regime survival over democratic norms. The doctrine of non-interference protects the member states from outside pressures, with limited uptake of human rights or democratic participation.⁵⁰² The SCO adapted this format and has been promoting the Shanghai Spirit, which calls for respecting different cultures, traditions and political systems. The SCO established its own ‘Observer Mission’ to oversee the election processes in the SCO member states. During the presidential elections in Kyrgyzstan in 2009 both the OSCE and the SCO observers were invited to monitor the election. While the OSCE stated that results were manipulated and “failed to meet key OSCE commitments for democratic elections”,⁵⁰³ the SCO concluded that the election was “honest” and “transparent”.⁵⁰⁴ Following the invitation to observe Russia’s 4 March 2012 presidential election, OSCE reported inconsistencies and “the contest was clearly skewed in favor of one of the contestants”.⁵⁰⁵ In contrast, the SCO reported that “the election of the President of the Russian Federation at the polling stations observed by the Mission was free, transparent and fair, and conducted in accordance with the requirements of the national election legislation of the Russian Federation and its international obligations, which makes it

⁵⁰¹ Martha Finnemore and Kathryn Sikkink, “International Norm Dynamics and Political Change”, *International Organizations*, vol. 52, no.4, 1998, pp.887-917.

⁵⁰² Amitav Acharya, “Democratization and the Prospects for Participatory Regionalism in Southeast Asia”, *Third World Quarterly*, vol.24, no.2, 2003, pp.375-390.

⁵⁰³ “Kyrgyzstan-Presidential Election 23 July 2009, OSCE Office for Democratic Institutions and Human Rights, [<http://www.osce.org/odihr/elections/kyrgyzstan/66691>].

⁵⁰⁴ Aizada Kutueva, “SCO Mission: Presidential election – honest, transparent”, *eng.24.kg*, 24 July 2009, [<http://eng.24.kg/politic/2009/07/24/8624.html>].

⁵⁰⁵ “OSCE/ODIHR final report on Russia’s presidential election recommends measures to promote fairness and equality in electoral process”, OSCE Office for Democratic Institutions and Human Rights, [<http://www.osce.org/odihr/elections/90469>].

democratic and legitimate.”⁵⁰⁶ These two reports were in an obvious contrast. The SCO has set up a monitoring mechanism which counterbalances the findings from OSCE and therefore, it challenges the legitimacy of OSCE perspectives. This forms part of a wider battle over norms within the OSCE through 2005-2012, with Russia, Kazakhstan and Uzbekistan often critical of human rights monitoring as a form of political intervention.⁵⁰⁷

In the aftermath of the 2012 U.S. Presidential elections, Russia's Central Election Commission openly criticized the U.S. electoral system and outlined areas of malfunction in a report released just before voting stations opened in the U.S.⁵⁰⁸ Previously Russia's Ministry of Foreign Affairs released on its website a 90-page document *Report on the situation with human rights in certain states United States of America* in which it analyzed U.S. human rights violations at home and abroad.⁵⁰⁹ This example demonstrates that individual SCO member states as well as the SCO as a whole respond to Western democratization pressures by introducing their own norms and actively point out shortcomings of Western democracies during the SCO summits or through national ministries of foreign affairs.

⁵⁰⁶ “Statement by SCO Observer Mission on preparation and conduct of presidential election in Russia”, The SCO official website, 6 March 2012, [<http://www.sectsco.org/en/show.asp?id=319>]

⁵⁰⁷ Jonathan Tirone & Indira A.R. Lakshmanan, “Human Right, Security spark U.S.-Russia Clash at OSCE Summit”, Bloomberg, 7 December 2012 [<http://www.bloomberg.com/news/2012-12-06/human-rights-security-spark-u-s-russia-clash-at-osce-summit.html>].

⁵⁰⁸ Claire Bigg, “Russian Election Report Concludes U.S. Vote Will Be Neither Free Nor Fair“, *RFE/RL*, 6 November 2012, [<http://www.rferl.org/content/russia-us-election-unfair-vote/24762559.html>].

⁵⁰⁹ Report on the situation with human rights in certain states United States of America, Ministry of Foreign Affairs of Russia, December 2011, [[http://www.mid.ru/bdcomp/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/65dd5d399e1d78cd44257983004f844a/\\$FILE/Human%20rights%20report.pdf](http://www.mid.ru/bdcomp/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/65dd5d399e1d78cd44257983004f844a/$FILE/Human%20rights%20report.pdf)].

Conclusion

In conclusion, this chapter examined the context and soft balancing strategy of the SCO towards the U.S. in Central Asia. Russia, China and the Stans created a framework in which all parties aim for equality, despite differences in power. This represents an opportunity for the Stans to balance between interests of three major powers, China, Russia and the U.S. All SCO member states support political stability and believe that the so-called color revolutions destabilize the region. The collective diplomatic response in support of Uzbekistan's stance on investigation of the 2005 Andijan incident showed that the SCO is a mechanism used by the member states to soft balance the presence and influence of external players in Central Asia. The SCO seeks to create a politico-military sphere in which its member states are dominant, thereby allowing only provisional, short-term access for external powers such as the U.S. and NATO states. If a partial failure in relation to Kyrgyzstan, these mechanisms were a success in relation to Uzbekistan through 2006-2011. However, the limits to SCO norms can be demonstrated when it comes to restraining the behavior of its stronger members in situations where 'hard power' strategies seem viable. This can be seen in the challenge posed by the military conflict between Russia and Georgia through 2008, which is explored in the next chapter.

CHAPTER SIX: Limits to SCO Soft Balancing

As shown in the previous chapter, the SCO emerged as a regional organization with the aim of countering terrorism, extremism and separatism (the ‘three evils’). It has also become a useful soft-balancing mechanism to counterbalance American military and normative presence in the region. The two most dominant SCO member states, Russia and China, have demonstrated a strong interest in resisting U.S. assertive policies, especially in terms of the continued use of airpower during interventions, expanding the U.S. presence via the National Missile Defense program and democratization efforts in Central Asia. Beijing and Moscow have balanced against these threats through the SCO by supporting Uzbekistan’s call for the withdrawal of U.S. troops from the base of Karshi-Khanabad and creating a collaborative environment based on the ‘Shanghai Spirit’, where decisions are taken after consultation with all SCO member states. Additionally, Russia is pushing for wider acceptance of the idea of “sovereign democracy” in which external interference is not welcome.⁵¹⁰ In this context, states develop at a pace and direction that suits their historical, social, economic, cultural and political makeup. Apart from these convergent interests, the SCO member states have their own priorities. China is primarily worried about securing its Western border and countering separatist activities in its Xinjiang-Uighur Autonomous Region. Russia, on the other hand, is concerned with separatism and extremism in its Northern Caucasus region, in the south, and with protecting its nationals living in neighboring countries. The SCO promotes “non-use of force” in solving trans-

⁵¹⁰ See further Nicolai N. Petro, “Russian Foreign Policy 2000-2011: From National-State to Global Risk Sharing”, Portal on Central Eastern and Balkan Europe, *PECOB's Papers Series*, June 2011, [<http://www.pecob.eu/flex/cm/pages/ServeBLOB.php/L/EN/IDPagina/3132>].

border problems and opts for indirect soft balancing strategies to counter destabilizing and threatening forces.

This chapter analyzes a major test of unity for the SCO as well as for the Sino-Russian relationship, which was the 2008 Russia-Georgia War in the Caucasus, and SCO's response to this conflict. China and the SCO showed minimal support for Russia's military actions and did not endorse the recognition of the independence of Abkhazia and South Ossetia during and after this crisis. Russia demonstrated that it was willing to intervene by using force and supported redrawing the borders in the Caucasus and weakening NATO's operability in the region, which created unease among the smaller neighbouring countries. As a result, China's presence in Central Asia has been viewed as more benign and its position within the SCO has been strengthened.

This chapter also demonstrates SCO's lack of intention and capability to engage in hard balancing vis-à-vis a foreign presence in the region, showing a preference for the soft balancing strategy instead. The chapter starts by outlining the SCO's lack of essential elements of a traditional military alliance. It then elaborates on the background to the Russia-Georgia War of 2008 and the SCO's reaction to Russia's involvement in this conflict. The chapter ends with discussing the SCO's ability to maintain its organizational coherence despite the split between member states over Russia's military actions in Georgia and disagreement over the recognition of Abkhazia and South Ossetia as independent states. In this case Russia's approach to the regional conflict revealed the limits to the SCO's soft-balancing strategy because Russia's national interests prevailed and the immaturity of the SCO to

conduct long-term soft balancing towards a dominant or threatening state was further highlighted.

Is the SCO a Military Alliance?

The SCO's reaction to the 2005 U.S. military withdrawal from Uzbekistan and the subsequent joint military exercises, named 'Peace Mission' (2005 and 2007), gave an impetus to analysts to conclude that the SCO would become a military alliance or an 'Asian Warsaw Pact'.⁵¹¹ The SCO's interest in military operations also convinced critics that the SCO's goal was to create an anti-American alliance and it has "already begun to work".⁵¹²

The SCO vehemently and repeatedly rejected such assertions, saying that the Organization was not directed against a third party and the primary goal was to fight the 'three evils'.⁵¹³ SCO officials explained that the Organization was concerned mainly with non-traditional security threats such as organized crime, terrorism, separatism and narco-trafficking.⁵¹⁴ The member states find the management of internal security to be the most challenging; therefore, they invest the greatest effort into creating an interoperable security environment by harmonizing their norms and exchange information about best practices for

⁵¹¹ Peter Brookes, "Club for dictators: An ugly agenda for Asia", *The Heritage Foundation*, 12 June 2006, [<http://www.heritage.org/research/commentary/2006/06/club-for-dictators-an-ugly-agenda-for-asia>].

⁵¹² Ariel Cohen and John J. Tkacik, Jr., "Sino-Russian military manoeuvres: a threat to U.S. interests in Eurasia", Backgrounder no. 1883, *The Heritage Foundation*, 30 September 2005, [<http://www.heritage.org/research/reports/2005/09/sino-russian-military-maneuvers-a-threat-to-us-interests-in-eurasia>].

⁵¹³ See for example: "Shanghai Convention on combating terrorism, separatism, and extremism", Shanghai, 15 June 2001, [<http://www.sectsc.org/EN/show.asp?id=68>]; Tugsbilguun Tumurkhuleg, "Does the Shanghai Cooperation Organization represent an example of a military alliance?" in *Eurasia's Ascent in Energy and Geopolitics: Rivalry or Partnership*, Robert Bedeski and Niklas Swanström, Hoboken: Routledge, 2012;

⁵¹⁴ Stephen Aris, "The Shanghai Cooperation Organization: 'Tackling the Three Evils'. A Regional Response to Non-traditional Security Challenges or an Anti-Western Bloc?" *EUROPE-ASIA STUDIES*, vol.61, no.3, May 2009, pp.457-482.

intelligence sharing.⁵¹⁵ This is conducted within the Regional Anti-Terrorist Structure (RATS) which is the second permanent organ in the SCO structure (along with the Secretariat), in Tashkent.⁵¹⁶

The decision to establish a center for counter-terrorism cooperation underpins the significance and commitment of the SCO member states to combat terrorist activities in the region. In the period since the SCO's establishment, which coincides with the period since 9/11, incidents of terrorist activity have increased in all member states. This has led to an era of regional expansion of terrorist organizations and the strengthening of their contacts with groups such as Al-Qaeda.⁵¹⁷ The RATS is viewed as "the most effective mechanism within the SCO, because there are fewer layers of bureaucracy between the RATS and the highest level in the member states."⁵¹⁸

Coordination within the RATS has encountered some difficulties. One of the primary problems concerns the different definitions of terrorism held by member governments. China, in particular, does not have an official definition of 'terrorist organization' and focuses on defining 'terrorist acts'.⁵¹⁹

⁵¹⁵ Roy Allison, "Virtual Regionalism, Regional Structures and Regime Security in Central Asia", *Central Asian Survey*, vol.27, no.2, 2008, pp.185-202; Stephen Aris, "The Response of the Shanghai Cooperation Organisation to the Crisis in Kyrgyzstan", *Civil Wars*, vol.14, no.3, 2012, pp.451-476.

⁵¹⁶ The Convention on combating terrorism, separatism and extremism stated the RATS headquarters would be in Bishkek (Article 10), however, in order to engage Uzbekistan in the SCO security cooperation the office was established in Tashkent.

⁵¹⁷ Most prominent cases are: Moscow metro bombing in February 2004, Beslan siege in September 2004 and incidents in Xinjiang, China throughout 2008-2011. See: Zhao Xiaodong, *The Shanghai Cooperation Organisation and Counter-Terrorism Cooperation*, Asia Paper, Institute for Security and Development Policy, Stockholm-Nacka, Sweden, August 2012. However, it is also true that this climate has allowed states to 'crack-down' more generally on Islamist and opposition groups, e.g. operations in Uzbekistan against Hizb-ut-Tahrir and the so-called Akromiya group, Sarah Kendzior, "Inventing Akromiya: The Role of Uzbek Propagandists in the Andijon Massacre", *Demokratizatsiya*, vol. 14 no. 4, Fall 2006, pp.545-562; Gulnoza Saidazimova "Central Asia: Hizb Ut-Tahrir Calls for Islamic State Find Support", *Eurasia Insight*, 17 January 2006 [Access via www.eurasianet.org].

⁵¹⁸ Stephen Aris, *Eurasian Regionalism: The Shanghai Cooperation Organisation*, Palgrave Macmillan, Basingstoke, 2011, p.25.

⁵¹⁹ The SCO promotes a broad definition of 'terrorism', which means: "any act intended to cause death or serious bodily injury to a civilian, or any other person not taking an active part in the hostilities in a situation of armed conflict or to cause major damage to any material facility, as well as to organize, plan, aid and abet such act, when the purpose of such act, by its nature or context, is to intimidate a population, violate public security

PRC's Standing Committee of the National People's Congress passed the following decision in October 2011, allowing a wide ambit for the prosecution of terrorist acts, with such acts defined as:

Activities that severely endanger society that have the goal of creating terror in society, endangering public security, or threatening state organs and international organizations and which, by the use of violence, sabotage, intimidation, and other methods, cause or are intended to cause human casualties, great loss to property, damage to public infrastructure, and chaos in the social order, as well as activities that incite, finance, or assist the implementation of the above activities through any other means. (*Decision on Issues Related to Strengthening Anti-Terrorism Work*, art. 2.)⁵²⁰

The RATS also faces obstacles when trying to expand its mandate into counter-narcotics operations. Some governments have one agency which deals with both drug trafficking and terrorism, while others such as Russia, have two agencies that coordinate these activities separately.⁵²¹ However, Russia's Federal Drug Control Service has expressed support for establishing an anti-drug coordination unit within the SCO, which would work closely with the UN Office on Drugs and Crime.⁵²²

Initially the RATS was not meant to hold an operational role. Its tasks expanded in 2005 when the RATS was asked to coordinate investigations and create a list of wanted terrorists and organizations, train specialists and conduct anti-terrorist exercises and operations.⁵²³ Since this decision was made, the SCO has held several military exercises: Peace Mission-2005 in China, Peace Mission-2007 in Russia, Peace Mission-2009 in China, Peace Mission-2010 in Kazakhstan, Peace

or to compel public authorities or an international organization to do or to abstain from doing any act, and prosecuted in accordance with the national laws of the Parties". *Shanghai Convention on Combating Terrorism, Separatism and Extremism*, Shanghai, 15 June 2001.

⁵²⁰ Laney Zhang, "China: Legal Definition of Terrorist Activities Clarified", *Global Legal Monitor*, Library of Congress, 4 November 2011 [http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205402874_text].

⁵²¹ Richard Weitz, "Uzbekistan: A Peek Inside an SCO Anti-Terrorism Center", *EurasiaNet.org*, 25 September 2012, [<http://www.eurasianet.org/node/65960>].

⁵²² Kirill Barsky, "Central Asia Under the SCO's 'Impermeable Umbrella'", *International Affairs*, no.4, 2012.

⁵²³ Matthew Oresman, "The Shanghai Cooperation Summit: Where Do We Go From Here?" *China-Eurasia Forum Quarterly*, Special Edition: the SCO at One, July 2005, [http://www.silkroadstudies.org/new/docs/CEF/CEF_Quarterly_July_2005.pdf].

Mission-2011 in Russia and Peace Mission-2012 in Tajikistan.⁵²⁴ The scope of these exercises and the level of their interoperability are far below those of U.S.-led alliances. The SCO members have continuously downplayed their significance as “anti-terror” exercises and a conduit for Russia and China cooperation.⁵²⁵

There are several limitations preventing the SCO from becoming a military counterweight to NATO. A successful military alliance requires the commitment of all parties involved. Russia has been the primary driver of SCO military cooperation. It exercises a dominant role in the Collective Security Treaty Organization (CSTO) and the Commonwealth of Independent States (CIS). By connecting the CSTO with the SCO, it has a better chance to coordinate an anti-NATO opposition with the purpose of preventing NATO enlargement to the East and the U.S. installation of the National Missile Defense in Europe. However, both President Putin and his SCO adviser, the National Coordinator Barsky,⁵²⁶ stated that the SCO was not a military alliance, but “an organization which can play an important role in promoting development in Asia”.⁵²⁷ Likewise, though Kazakhstan

⁵²⁴ See for example: Marcel de Haas, “The ‘Peace Mission 2007’ Exercises: The Shanghai Cooperation Organisation Advances”, Central Asian Series 07/28, Advanced Research and Assessment Group, Defence Academy of the United Kingdom, September 2007, [http://www.clingendael.nl/publications/2007/20070900_cscp_paper_haas.pdf]; Roger N. McDermott, “The Rising Dragon: SCO Peace Mission 2007, Occasional Paper, Washington, D.C.: The James Foundation, October 2007, [[http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=32](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=32)]; Stephen Blank, “Peace-Mission 2009: A Military Scenario Beyond Central Asia”, *China Brief*, vol. IX, issue 17, Washington, D.C.: The Jamestown Foundation, 20 August 2009, pp.7-9, [[http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews\[tt_news\]=35433&tx_ttnews\[backPid\]=25&cHash=201d76e87b](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews[tt_news]=35433&tx_ttnews[backPid]=25&cHash=201d76e87b)]; Richard Weitz, “China’s Growing Clout in the SCO: Peace Mission 2010”, *China Brief*, vol. X, issue 20, Washington, D.C.: The Jamestown Foundation, 8 October 2010, pp.7-11, [[http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews\[tt_news\]=37018&tx_ttnews\[backPid\]=25&cHash=f3fd0568](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews[tt_news]=37018&tx_ttnews[backPid]=25&cHash=f3fd0568)]; Zhang Hong, “Shanghai Cooperation Organization not Asia’s NATO”, *China Daily*, 17 June 2011, [http://usa.chinadaily.com.cn/opinion/2011-06/17/content_12733305.htm]; Roger McDermott, “China Leads the SCO Peace Mission in Central Asia”, *Eurasia Daily Monitor*, vol. 9, issue, Washington, D.C.: The Jamestown Foundation, 26 June 2012, [[http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=39538](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=39538)]

⁵²⁵ Yu Bin, “China-Russia Relations: Mounting Challenges and Multilateralism”, *Comparative Connections*, vol.13, no.1, Pacific Forum, Center for Strategic and International Studies, May 2011, [https://csis.org/files/publication/1101qchina_russia.pdf]

⁵²⁶ Kirill Barsky, “Central Asia Under the SCO’s ‘Impermeable Umbrella’”, *International Affairs*, no.4, 2012.

⁵²⁷ Vladimir Putin, quoted in Troitsky, “A Russian Perspective on the Shanghai Cooperation Organization”, *The Shanghai Cooperation Organization*, SIPRI Policy Paper, no.17, Stockholm: Stockholm International Peace Research Institute, May 2007, p.47.

has been an active player in SCO and CSTO exercises, Uzbekistan has not, while Kyrgyzstan and Tajikistan have only small military forces.⁵²⁸

Despite China's increased engagement in security cooperation in Central Asia, Beijing continues to promote non-interference in domestic affairs and objects to participating in any formal military alliances.⁵²⁹ A military alliance would require more involvement in defense collaboration with the weaker Stans, and potential long-term entanglement in local conflicts. China is focused on maintaining regional stability, but chooses other means to this end.⁵³⁰ The further militarization of Central Asia could easily destabilize the region, which could threaten the realization of economic goals and also distract China from maintaining control over Taiwan's activities in case Taipei decides to challenge the status quo of 'One China' and declare formal independence.⁵³¹ However, China perceives SCO 'peace-mission' operations as a means of supporting political stability in Central Asia, thereby ensuring future economic and resource access. In general, these exercises have offered the PLA (the Chinese People's Liberation Army) the opportunity to project power abroad, with some exercises demonstrating the potential ability to

⁵²⁸ As of 2012, Kazakhstan has 49,000 active military personnel and paramilitary forces of 31,500, while Kyrgyzstan has 10,900 active military personnel and 9,500 in its paramilitary forces. Tajikistan has some 8,800 active military personnel and 7,500 in its paramilitary, but is supported by over 5,000-7,000 Russian soldiers, John Chipman et al. *The Military Balance*, London, IISS, 2012; RFE/RL "Russia signs deal to prolong troop presence at Tajik military base", *Radio Free Europe/Radio Liberty*, 16 December 2012, [<http://www.rferl.org/content/russia-signs-deal-troop-presence-tajikistan-military-base/24730251.html>].

⁵²⁹ Zhao Huasheng, "Central Asia in China's diplomacy", in *Central Asia, Views from Washington, Moscow and Beijing*, Armonk, New York and London: M.E. Sharpe, 2007, p.159.

⁵³⁰ See further Niklas Swanström *China and Greater Central Asia: New Frontiers*, Silk Road Paper, Central Asia-Caucasus Institute & Silk Road Studies Program, December 2011, [<http://www.silkroadstudies.org/new/docs/silkroadpapers/1112Swanstrom.pdf>].

⁵³¹ Tugsbilguun Tumurkhuleg 2012, pp.184-185; the high level of priority of Taiwan in China's security consideration was highlighted in the 2000 Dushanbe Declaration which included two references to Taiwan, "Dushanbe Declaration by the Heads of State of the Republic of Kazakhstan, of the People's Republic of China, of the Kyrgyz Republic, of the Russian Federation, and of the Republic of Tajikistan", Ministry of Foreign Affairs of the Russian Federation, Moscow 6 June 2000, [<http://www.in.mid.ru/B1.nsf/arh/A69BB7197B47EC174325699C003B5F9D?OpenDocument>].

protect oil and gas pipelines in the region.⁵³² These activities, however, are conducted within the context of SCO cooperation and consent of the host states.

The Stans enjoy multi-vectoral defense collaboration with Russia, China and the U.S. They differ in their commitment to specific security frameworks. Kazakhstan is a primary example of a proactive approach. It is suggested that President Nazarbaev tried to “dilute Russian dominance” in security questions by proposing the Conference on Interaction and Confidence-building Measures in Asia (CICA).⁵³³ On the other hand, Uzbekistan is the least proactive when it comes to regional security cooperation. Washington’s “New Silk Road vision” and the focus on Afghanistan rendered neighboring Uzbekistan a pivotal player for transits of U.S. and NATO cargo in and out of Afghanistan. It was reported that U.S. President Obama called President Karimov on 28 September 2011 to thank him for cooperation in facilitating these transits.⁵³⁴ The Uzbeks have supported the CSTO since 2006, in light of weakened relations with the West in the aftermath of the Andijan incident. However, this collaboration is only partial because they do not want to participate in the CSTO rapid reaction force. It was reported that President Lukashenko, as acting head of the CSTO, asked Uzbekistan to reconsider its membership; but as long as it was in Uzbekistan's national interest, President

⁵³² See Marcel de Haas, “‘The Peace Mission 2007’ Exercises: The Shanghai Cooperation Organisation Advances”, *Advanced Research and Assessment Group*, Defence Academy of the United Kingdom, September 2007, [www.defac.ac.uk/colleges/csac].

⁵³³ CICA is a multinational forum created after the proposal of the Kazakh President Nazarbaev in 1992. [<http://www.s-cica.org/page.php?lang=1>]; See: Bayles and Dunai 2007, p.14.

⁵³⁴ Jim Nichol, “Central Asia: Regional Developments and Implications for U.S. Interests”, CRS Report for Congress, 19 September 2012, [<http://www.fas.org/sgp/crs/row/RL33458.pdf>].

Karimov reportedly said, it would continue participating in these structures.⁵³⁵

Tashkent suspended its membership in the CSTO on 29 June 2012.⁵³⁶

The SCO clearly does not aim to become a military alliance in the short and medium term. There has been, however, contradiction in Russia's commitment to declarations on non-use of force and non-interference in domestic affairs in other states. The 2008 Russia-Georgia War provides a solid example of this contradictory behavior. Before examining SCO's reaction to Russia's involvement, the background to this conflict needs to be considered.

Beyond the Five-Day War

The origins and significance of the August 2008 War are embedded in the wider geographical and historical contexts of Russia's problematic engagement in the Caucasus. Although the fighting started in South Ossetia, the conflict encompassed other parts of Georgia,⁵³⁷ and tensions even spread to the Northern Caucasus. Mutual suspicion among all parties had been building up since the early 1990s. The legal-state relations became particularly unclear when the USSR allowed its autonomous republics to decide freely, by referendum, whether they desired to remain within the USSR or consider their independence. Abkhazia demonstrated its pro-Soviet (and later pro-Russian) orientation quite firmly when, on 17 March

⁵³⁵ Farkhod Tolipov, "CSTO summit raises ambiguity regarding Uzbekistan's membership", *Central Asia Newswire*, 23 January 2012,

[<http://www.universalnewswires.com/centralasia/general/viewstory.aspx?id=112161>].

⁵³⁶ "Uzbekistan suspends its membership in the Collective Security Treaty Organization (CSTO)",

[<http://enews.fergananews.com/news.php?id=2313&mode=snews>].

⁵³⁷ Officially, Georgia has two autonomous republics: Abkhazia (Sokhumi) and Ajara (Batumi). This thesis does not explore the relationship between Georgia and Ajara, which has remained in line with the famous quote from the former Georgian President Zviad Gamsakhurdia: "Adjarans! Remember that you are Georgians!" quoted in Thomas Goltz, 'The Paradox of Living in Paradise: Georgia's Descent into Chaos', in *The Guns of August 2008*, ed. Svante E. Cornell and S. Frederick Starr, Armonk, NY: M.E. Sharpe, 2009, p.17.

1991, it participated in the referendum and expressed support for remaining within the USSR.⁵³⁸

Georgia, on the contrary, did not take part in this referendum, but instead organized an alternative poll to confirm the restoration of the country's independence from the USSR. Abkhazia abstained from the vote and continued to be a part of the USSR until it collapsed in December 1991. On this basis, and with the dissolution of the USSR, the Abkhaz leadership suggested the establishment of a Federation, wherein the Georgians and the Abkhaz would be equal. These suggestions were supported by provocative declarations from the Abkhaz nationalist leadership, to which the Georgian side responded with an intervention by tanks on the Abkhaz capital Sukhumi.⁵³⁹

The Abkhaz-Georgian war of 1992-93 was a bloody conflict resulting in up to 10,000 lives lost and a quarter of a million refugees, mainly ethnic Georgians.⁵⁴⁰ During the conflict, the Abkhaz received support from the North Caucasus (Chechen fighters⁵⁴¹) and from the Russian military forces based in Abkhazia. Russia and the UN mediated negotiations between the Abkhaz and the Georgians, resulting in the Moscow Treaty of 1994 which provided a mandate for the

⁵³⁸ The Abkhaz intellectuals and leadership wrote to Moscow to request secession from Georgia on several occasions. Some prominent examples are the letter to President Breznev in 1978, when 130 intellectuals asked for Abkhazia to secede being part of Georgia and join the USSR, based on violations of Abkhaz rights within Georgia. A compromise was made by opening the Abkhaz State University; however, all signatories lost their jobs. In 1988, the so-called Abkhazian Letter was signed by 60 leading Abkhaz, in which they demanded a restoration of pre-1931 sovereign Abkhazia. Georgia reacted to this letter by tightening Abkhaz rights and making the Georgian language obligatory for entry exams to universities. Source: Tim Potier, *Conflict in Nagorno-Karabakh, Abkhazia and South Ossetia: a legal appraisal*, Martinus Nijhoff Publishers, 2001, pp.9-10.

⁵³⁹ Thomas Goltz, 'The Paradox of Living in Paradise: Georgia's Descent into Chaos', in *The Guns of August 2008*, ed. Svante E. Cornell and S. Frederick Starr, Armonk, NY: M.E. Sharpe, 2009, pp. 20-27.

⁵⁴⁰ "Sparing over Abkhazia: Tensions between Russia and Georgia", *IISS Strategic Comments*, vol.14, issue 05, June 2008. [<http://www.iiss.org.uk/EasySiteWeb/getresource.axd?AssetID=181281>].

⁵⁴¹ After the first Chechen war of 1994-1996, which Russia lost and in which Chechnya gained de facto independence, the Chechen leadership visited Georgia and apologized for the involvement of Chechens in the 1992-93 Abkhaz-Georgian war: Chechnya was mending relations with the neighbors in order to strengthen its quasi-state. Thornike Gordadze, "Georgian-Russian Relations in the 1990s", in *The Guns of August 2008: Russia's War in Georgia*, ed. Svante E. Cornell and S. Frederick Starr, Armonk, NY: M.E. Sharpe, 2009, p. 40.

oversight of a ceasefire for up to 3000 peacekeepers from the Commonwealth of Independent States. The Georgian government desired a multinational UN Peacekeeping Force, being aware that the CIS consisted mainly of Russian peacekeepers. The United Nations was embroiled in the Balkans at that time and so agreed to monitor the CIS operations instead. Under these conditions, the UN provided a *de facto* endorsement of Russia's presence in post-Soviet space.

The Georgian-Ossetian conflict gradually evolved from arguments over the future of South Ossetia and accompanied by legislative conflict, into an armed conflict during the period January 1991 to June 1992. It resulted in an estimated 2,000-4,000 deaths and the displacement of approximately 43,000 people.⁵⁴² This localized conflict became a regional concern once the refugees crossed the North-South Ossetian border and in North Ossetia these refugees became instantly engaged in another dispute, between the Ossetians and the Ingush, which has remained unresolved.⁵⁴³ This situation directly impacted on Russia's internal security.

Since the 1992 ceasefire brokered by Russia, South Ossetia had existed as a *de facto* independent state. The Dagomys (Sochi) agreement ordered the formation of a security corridor (Article 1) and the establishment of a Joint Control Commission of the four parties involved in the conflict: Georgia, Russia and North and South Ossetia (Article 3). The warring parties were ordered to demilitarize the security zone and, in the event of a breach of the agreement, to promptly investigate the

⁵⁴² Sergey Markedonov, "Caucasus Conflict Breaks Old Rules of the Game", *Russian Analytical Digest*, no. 45, Center for Security Studies, ETH Zurich, 4 September 2008, p.2.

⁵⁴³ For the wider historical context, see Babak Rezvani, "The Ossetian-Ingush confrontation: Explaining a horizontal conflict", *Iran & The Caucasus*, vol. 14, issue 2, 2010, pp.419-429.

incident and commence the restoration of peace and order in the area.⁵⁴⁴ This suggests that Georgia agreed to cede some sovereignty over to South Ossetia.

Initially, the structure of the Russia-dominated CIS Peacekeeping Forces appeared to provide a viable solution, and the agreements, negotiated with Russia's support, determined that the Georgia-Abkhazia and Georgia-South Ossetia conflicts should stop and become so-called 'frozen conflicts'. The international community, however, was focused on the return of internally displaced people and the possibilities of trade relations and energy transport routes through Georgian territory, and clearly overlooked Russia's unwillingness to counter illegal economic activity and support secessionist tendencies in Georgia.⁵⁴⁵ From 2004, Tbilisi became more assertive in its policy of achieving internal coherence by employing a soft power offensive of 'charming' the territories into a more democratic and reformed Georgia, and by portraying Russia as the 'creeping aggressor', mainly concerned with maintaining its influence in the South Caucasus and gradually annexing the territories to Russia.

Moscow, on the other hand, eased visa regulations for Ajara, South Ossetia and Abkhazia, while applying stricter conditions for Georgian nationals. This soft power tool was later complemented with the issuance of passports to residents of the autonomous republics, a policy which allowed Russia to secure the right to intervene in Georgia in cases when the rights of its citizens were violated. In a

⁵⁴⁴ The Dagomys (Sochi) Agreement (Соглашение о принципах мирного урегулирования грузино-осетинского конфликта), Sochi, 24 June 1992, Source: *Ministry of Foreign Affairs Diplomatic Bulletin*, no. 13-14, 1992, p.31, Available in Russian at [\[http://www.caucasica.org/docs/detail.php?ID=1329&PHPSESSID=85ce24d286e083a2941a5edb041f40781\]](http://www.caucasica.org/docs/detail.php?ID=1329&PHPSESSID=85ce24d286e083a2941a5edb041f40781); "Georgia: Shevardnadze Discusses 1992 South Ossetia Agreement", Interview, *Radio Free Europe Radio Liberty*, 23 February 2006, [\[http://www.rferl.org/content/article/1066081.html\]](http://www.rferl.org/content/article/1066081.html).

⁵⁴⁵ Russia's state interests have been additionally supported by Eurasianists, led by Aleksandr Dugin, who promote Russia's dominance over former post-Soviet space with a goal of re-creating an empire. In exchange, the nationals from these regions and countries seek to preserve their traditions. Dugin's view of the Russia-Georgia war was analyzed by Marlène Laruelle in "Neo-Eurasianist Alexander Dugin on the Russia-Georgia Conflict", *CACI Analyst*, 3 September 2008, [\[http://www.cacianalyst.org/?q=node/4928\]](http://www.cacianalyst.org/?q=node/4928).

letter addressed to the President of the UN Security Commission on 11 August 2008, Russia's Ambassador to the United Nations, Vitaly Churkin, stated that:

The scale of the attack against the servicemen of the Russian Federation deployed in the territory of Georgia on legitimate grounds, and against citizens of the Russian Federation, the number of deaths it caused as well as the statements by the political and military leadership of Georgia, which revealed the Georgian side's aggressive intentions, demonstrate that we are dealing with the illegal use of military force against the Russian Federation. In those circumstances, the Russian side had no choice but to use its inherent right to self-defense enshrined in Article 51 of the Charter of the United Nations.⁵⁴⁶

Abkhazia and South Ossetia voiced their preference to secede from Georgia on several occasions. However, their institutions have been rather symbolic due to the lack of international recognition and their overreliance on economic engagements with Russia. The leadership of these unrecognized entities focused on power consolidation and establishment of strong ties with Russia, hoping to gain more legitimacy internationally. Georgia challenged these efforts by a consistent policy of reunification under Tbilisi's authority. The 2004 war with South Ossetia resulted in Tbilisi's control over all villages populated with ethnic Georgians and installing an alternative South Ossetian-led government for these communities. Trade interactions between different ethnic groups were further restricted. Georgia also demanded internationalization of the peacekeeping forces.

Russia's interests in the South Caucasus go beyond providing a sustainable support for the de facto authorities. Geopolitically, it does not want to lose control over the transportation routes and it aims to constrain the economic and strategic orientation of Azerbaijan and Georgia towards the West. Moscow may have responded to

⁵⁴⁶ Letter dated 11 August 2008 from the Permanent Representative of the Russian Federation to the United Nations addressed to the President of the Security Council, S/2008/545, United Nations Security Council, 11 August 2008, [<http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Georgia%20S%202008%20545.pdf>] ; further discussion about Russia's legal case for the intervention can be found in Nicolai N. Petro, "The Legal Case for Russian Intervention in Georgia", *Fordham International Law Journal*, vol. 32, issue 5, May 2009, pp.1524-1549, [http://uri.academia.edu/nnpetro/Papers/152748/The_Legal_Case_for_Russian_Intervention_in_Georgia].

Georgia's increased Western involvement, including construction of the *Baku–Tbilisi–Ceyhan (BTC)* pipeline, by disrupting the supply of electricity and gas to Georgia in January 2006 (a claim rejected by Russia, which suggested that extremists or Chechen militants may have sabotaged gas pipelines).⁵⁴⁷ Russia also deported Georgian migrant workers in response to Georgia's arrests of four Russian military officers on counts of espionage in September 2006. The severed transportation links and deported Georgian workers would have had a significant impact on Georgia's inflow of money sent by these workers to their families.⁵⁴⁸

The situation became worse after NATO's endorsement of Georgia's membership application in April 2008. During the Bucharest Summit, NATO proclaimed that Ukraine and Georgia would become NATO members and the Treaty organization was ready to start an 'intensive engagement' with these applicants.⁵⁴⁹ Georgia, Azerbaijan and Ukraine further declared a proactive stance on resolving all 'frozen conflicts' within their respective territories during the GUAM⁵⁵⁰ Summit in Batumi in July 2008.⁵⁵¹ At first, Russia followed suit and actively spoke for unfreezing the conflicts. During his last press conference in February 2008, President Putin stated that Russia would not follow the U.S. and Europe's example and recognize the independent Kosovo. Nor would he endorse the independence of Abkhazia and

⁵⁴⁷ Nick Paton Walsh, "Georgian leader attacks Russia after gas blasts", *The Guardian*, 23 January 2006, [<http://www.guardian.co.uk/world/2006/jan/23/russia.georgia>].

⁵⁴⁸ It is estimated that approximately 500 000 Georgians worked in Russia, generating roughly US\$556 million in 2006. Moscow expelled less than 1% of Georgian migrant workers. 'Economic and Political Transition in Georgia', NATO Parliamentary Assembly, [<http://www.nato-pa.int/default.asp?SHORTCUT=1171>].

⁵⁴⁹ Bucharest Summit Declaration, NATO Official Website, 3 April 2008, [http://www.nato.int/cps/en/natolive/official_texts_8443.html]; The NATO membership for Georgia has been put on hold and might be gradual, until Georgia resolves its questions of territorial integrity.

⁵⁵⁰ GU(U)AM – Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova, the official website at <http://guam-organization.org/en/node/422> ; the forum was established in 1997 as GUAM and was renamed GUUAM once Uzbekistan joined the cooperation in 1999; in the aftermath of the Andijan Uprising, Uzbekistan delivered the official withdrawal from GUUAM and the forum was renamed to GUAM in 2005. The organization aims at creating transport and market corridors to the West. The U.S. has actively supported its projects by providing financial assistance. See: S. Neil MacFarlane, 'The United States and regionalism in Central Asia', *International Affairs*, vol. 80, no. 3, 2004.

⁵⁵¹ Richard Weitz, 'GUAM and the Georgian War', *CACI Analyst*, 20 August 2008, [<http://www.cacianalyst.org/?q=node/4917>].

South Ossetia, thus linking these difference cases. However, a month later, he gained majority support within the State Duma to recognize these two entities along with Transnistria.⁵⁵²

In August 2008, tensions between Georgia and South Ossetia escalated into an armed conflict, which climaxed in the Five-Day War between Georgia and Russia.⁵⁵³ The war started with large-scale violence between South Ossetians and Georgians on 7-8 August 2008. President Saakashvili grew increasingly impatient with his inability to reunite Georgia and responded to numerous hostile acts between the parties prior to the war by launching an attack on Tskhinvali. Some Georgian elites, such as the former Georgian President Eduard Shevardnadze, disapproved of Saakashvili's decision to send forces into South Ossetia. Shevardnadze noted that Georgia had the right to intervene within its territory; however, in his view this attack was a "mistake" and it was ill prepared.⁵⁵⁴

Russia responded to this incident by launching a counter-attack and destroying infrastructure and communications on 8 August 2008. This was the third major conflict between Tbilisi and Tskhinvali, although it was the first time Russia had performed a full scale military engagement in the region since its establishment post-USSR. Moscow named the mission "Forcing Georgia to Peace",⁵⁵⁵ and argued it was preventing a major humanitarian disaster for the Ossetian people. President Medvedev spoke of an "act of aggression" performed by Georgian forces against

⁵⁵² Sergei Markedonov, 'A Russian Perspective: Forging Peace in the Caucasus', *Russian Analytical Digest*, no.40, 8 May 2008, pp. 5-9. [http://www.abkhazworld.com/Pdf/Russian_Analytical_Digest_40.pdf].

⁵⁵³ A detailed chronology of the war can be found in 'The Chronology of Events', *IJSS Strategic Comments*, vol. 14, issue 7, September 2008, [<http://www.ijss.org/publications/strategic-comments/past-issues/volume-14-2008/volume-14-issue-7/a-chronology-of-the-crisis/>].

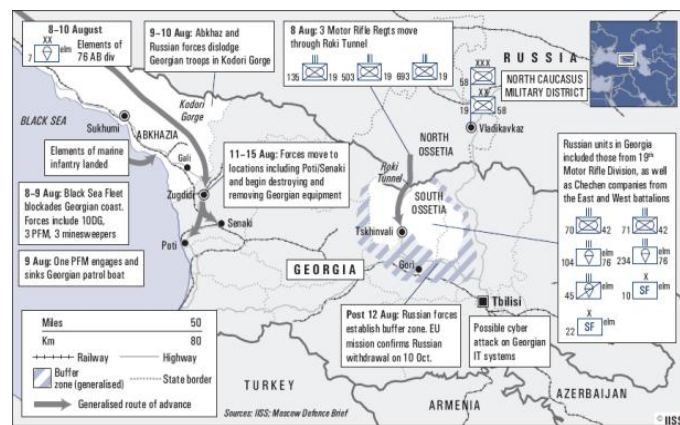
⁵⁵⁴ Interview with Eduard Shevardnadze, *Russia Today*, 16 August 2008, [<http://rt.com/politics/interview-with-eduard-shevardnadze-2008-08-16/>].

⁵⁵⁵ See Roy Allison, 'Russia resurgent? Moscow's campaign to "coerce Georgia to peace"', *International Affairs*, vol. 84, issue 6, 2008, pp. 1145–1171. [http://www.humansecuritygateway.com/documents/ALLISON_RussiaResurgent_MoscowCampaignToCoerceGeorgiaToPeace.pdf].

Russian civilians and peacekeepers. He called upon Russian law and international obligations to “protect the life and dignity of Russian citizens wherever they are”.⁵⁵⁶ On 9 August, Russian forces crossed the borders to Abkhazia and on the following day, the ground forces were joined by the Russian Black Sea Fleet near the Georgian coast of the Black Sea. The Russian air force bombed the Georgian town of Gori (west of Tbilisi). The Russian attacks succeeded in regaining control over Tskhinvali.

The movements of forces are illustrated by the map below.

Figure 10: Map of August 2008 Russia-Georgia War



Source: International Institute for Strategic Studies, London: IISS.org, 2008, [<http://www.iiss.org/programmes/russia-and-eurasia/about/georgian-russian-dialogue/analysis-of-the-russia-georgia-war/>]

This situation displeased China, the organizer of the 2008 Olympic Games, which called for an immediate ceasefire, restraint by all parties and stabilization of the region. Once the Russian troops entered the Georgian towns of Senaki and Zugdidi, the international community started an intensified ‘war in words’, in which U.S. President Bush spoke about Russia’s invasion of the sovereign Georgia and called upon Russia to “respect Georgia’s territorial integrity and sovereignty”.⁵⁵⁷ The U.S.

⁵⁵⁶ Statement on the Situation in South Ossetia, 8 August 2008, [http://archive.kremlin.ru/eng/speeches/2008/08/08/1553_type82912type82913_205032.shtml].

⁵⁵⁷ “Georgia: the war in words”, *IISS Strategic Comments*, vol. 14, issue 7, September 2008, [<http://www.iiss.org/publications/strategic-comments/past-issues/volume-14-2008/volume-14-issue-7/georgia-the-war-in-words/>].

Deputy Assistant Secretary of State for European and Eurasian Affairs, Matthew Bryza, went as far as to call Russia's part in the conflict "one of the most ill-advised and simply stupid", which would have a disastrous impact on Russia's reputation worldwide. From the U.S. perspective, Washington would not take a direct part in this conflict, preferring to build partnerships with both countries.⁵⁵⁸

The much anticipated Report of the Independent International Fact-Finding Mission on the Conflict in Georgia,⁵⁵⁹ established by the Council of the European Union on 2 December 2008, provided findings on the origins and the course of the conflict. It was written by 30 European historical, legal and military specialists. The team, under the supervision of Swiss Diplomat Heidi Tagliavini, came to the conclusion that:

At least as far as the initial phase of the conflict is concerned, an additional legal question is whether the Georgian use of force against Russian peacekeeping forces on Georgian territory, i.e. in South Ossetia, might have been justified. Again the answer is in the negative. There was no ongoing armed attack by Russia before the start of the Georgian operation. Georgian claims of a large-scale presence of Russian armed forces in South Ossetia prior to the Georgian offensive on 7/8 August could not be substantiated by the Mission. It could also not be verified that Russia was on the verge of such a major attack, in spite of certain elements and equipment having been made readily available. There is also no evidence to support any claims that Russian peacekeeping units in South Ossetia were in flagrant breach of their obligations under relevant international agreements such as the Sochi Agreement and thus may have forfeited their international legal status. Consequently, the use of force by Georgia against Russian peacekeeping forces in Tskhinvali in the night of 7/8 August 2008 was contrary to international law.⁵⁶⁰

This finding confirmed that Georgia's intervention in South Ossetia was illegal and Saakashvili's argument that Georgia was only responding to violations by Russia's armed forces was false. The report was also critical of the legality of Russia's

⁵⁵⁸ "Senior U.S. Official Calls Russian Actions 'Ill-Advised And Simply Stupid'", *Radio Free Europe*, 15 August 2008, [http://www.rferl.org/content/Bryza_Calls_Russian_Actions_Ill_Advised_Stupid/1191332.html]

⁵⁵⁹ *Independent International Fact-Finding Mission on the Conflict in Georgia*, vol. I, September 2009, [http://www.ceiig.ch/pdf/IIFMCG_Volume_I.pdf].

⁵⁶⁰ *Independent International Fact-Finding Mission on the Conflict in Georgia*, Report, vol. I, September 2009, p. 23, [http://www.ceiig.ch/pdf/IIFMCG_Volume_I.pdf].

involvement in the conflict. The following section concentrates on the SCO's stance on this conflict and Russia's involvement.

SCO's Reaction to Russia's Involvement in the South Caucasus

The Russia-Georgia conflict has revealed a divergent response to the crisis between Russia and the other member states. This was the first full scale military conflict since the establishment of the SCO that required a clear stance from these states. However, the Organization cautiously hid behind formulaic statements and encouraged the Russians to resolve the situation in a cooperative and peaceful fashion. The former Soviet republics of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan shared a common fear that a similar harsh approach from Russia could be taken towards them in the event of their disobedience in the future.⁵⁶¹ On the other hand, they ostensibly had the support of a second great power, China, and therefore, the republics were anxiously waiting to see how their Chinese partners would behave.

From the outset, the SCO has promoted itself as the framework that fights against separatism and 'splitism'.⁵⁶² It was surprising then, that with this knowledge and adherence to SCO norms, Russia would seek to support the independence from Georgia of the breakaway territories of South Ossetia and Abkhazia. During and in the aftermath of the August 2008 war, the SCO chose a cautious endorsement of

⁵⁶¹ It should be noted that this applies mainly to the smaller states. Kazakhstan has sought to engage Russia as part of a wider policy of global relationships, while Uzbekistan has been driven back towards Russian cooperation after human rights issues weakened its links with the United States in 2005.

⁵⁶² It has been noted that the Chinese leadership uses the terms 'separatism' (fenlizhuyi) and 'splitism' (fenliezhuyi) interchangeably. The difference derives from how the leadership views the intensity of various independence movements within China. Splitism relates to the Dalai Lama's moral support of the Tibetan people at large, while Taiwanese independence or the East Turkestan movement are considered as 'separatist'. See the interpretation by Sheo NandanPandey, "Chinese Counter Terror Intelligence Module - Compatibility to Nov 26 Mumbai Type Terror Attacks", South Asia Analysis Group, Paper no. 2993, 27 December 2008, [<http://www.southasiaanalysis.org/%5Cpapers30%5Cpaper2993.html>].

Russia over Georgia. It went ahead with the scheduled Annual Meeting in Dushanbe on 28 August 2008. The subsequent *Dushanbe Declaration of the Heads of the Member States of the Shanghai Cooperation Organization* voiced “deep concern” with regards to the tensions in South Ossetia and called for a resolution in “a peaceful way through dialogue”. The Declaration proceeded to highlight “Russia’s active role in promoting peace and cooperation in the region” and praised its acceptance of the Six Principles of Settling the Conflict in South Ossetia on 12 August 2008. The SCO member states also restated their “commitment to preventive diplomacy”, and expressed their support for the legitimate roles of the UN and the UN Security Council in conflict prevention.⁵⁶³

However, there was a clear absence of vocal support for Russia in this war and no sign of condemnation of Georgia for initiating the conflict. This can be interpreted as the member states considering their national interests rather than strengthening their regional cooperation. Moreover, the fact that the SCO refrained from recognizing the breakaway territories of South Ossetia and Abkhazia also demonstrates that the SCO would not support activities which lead to the disintegration of a state. The SCO therefore, adhered to its norms, which reject separatism, but was reluctant to overtly criticize Russia’s actions. The Shanghai Convention on Combating Terrorism, Separatism and Extremism stipulates that the annexation of a territory or disintegration of a state is an act that should be punished according to the national law of the parties involved. In Russia’s case, it felt obliged to intervene to protect its own nationals in a foreign country. This has been part of a more general aspect in Russian defense policy which seeks to protect

⁵⁶³ The Dushanbe Declaration of the Heads of the Member States of the Shanghai Cooperation Organization, Dushanbe, 28 August 2008, [<http://www.sectSCO.org/EN/show.asp?id=90>].

Russian interests, citizens and peacekeepers abroad, a concept reinforced by the military doctrines promulgated in October 2009 and February 2010.⁵⁶⁴

The SCO's approach to this matter has demonstrated that it is not an instrument of a single member state. Yet it also showed immaturity on the part of the SCO with regard to the prevention of possible conflicts in the wider region. To date, this has been the only large-scale conflict between a member state and an external party. However, the question remains as to whether the SCO would become more engaged if there was a conflict between two member states.

China's Perspectives

China's muted response to the conflict between Russia and Georgia is the result of a moral and practical dilemma. Morally, China did not back Russia's approach due to the incompatibility with its policies of 'Peaceful Development' and 'Harmonious World',⁵⁶⁵ which revoke the use of force to settle disputes. The escalation of the conflict also coincided with the Beijing Olympics, and China could not afford to send out a mixed message to the world about its benign intentions. This position was made clear by President Hu Jintao during his meeting with Russian President Medvedev on 27 August 2008. President Medvedev informed his Chinese counterpart about the developments in the South Caucasus, to which the Chinese President responded by stating that China was aware of the developments in the region and was "expecting all sides concerned to properly settle the issue through dialogue and coordination". Medvedev reassured Hu that Russia would cooperate with China within the SCO framework to strengthen the peace and stability of the

⁵⁶⁴ Jim Nichol, *Russian Military Reform and Defence Policy*, Washington D.C.: Congressional Research Service, 24 August 2011, [<http://www.fas.org/sgp/crs/row/R42006.pdf>].

⁵⁶⁵ See State Council Information Office of the PRC, *China's Peaceful Development Road*, White Paper (Beijing, December 2005); and *Xinhua*, "President Hu Makes Four-Point Proposal for Building Harmonious World", *China View*, 16 September 2005, [http://news.xinhuanet.com/english/2005-09/16/content_3496789.html].

region.⁵⁶⁶ China also faced a domestic moral dilemma: supporting the independence of South Ossetia and Abkhazia could provide a green light to those regions within China that had been campaigning for greater autonomy or a clear separation.

From the practical point of view, China viewed this conflict more as a standoff between Russia and the West (underlined by the U.S.-led eastward NATO expansion) than as a simple bilateral conflict between Georgia and Russia. While it sympathized with Russia's discontent at having Western troops approach its neighboring region, it was not ready to be party to another Cold War. China's 'Peaceful Development' has depended on the prevailing international system in both economic and security terms. It would have little to gain from taking a stance that would create tensions with the West and Russia.⁵⁶⁷

One of the greatest concerns for China is its energy insecurity; Premier Wen Jiabao acknowledged that the lack of energy resources is a "soft rib" in the country's social and economic development.⁵⁶⁸ Reliance on foreign energy supplies renders China particularly vulnerable. Since August 2010, Russia and China have been connected by an oil pipeline, running from Siberian Skovorodino to China's north-eastern frontier, yet China continues to diversify its energy sources and avoids being exclusively committed to an energy agreement with any one country.⁵⁶⁹ In

⁵⁶⁶ Ling Jihua, Wang Huning and Dai Bingguo, "Hu Jintao Meets with Russian President Medvedev", Ministry of Foreign Affairs of the People's Republic of China, 28 August 2008, [<http://www.fmprc.gov.cn/eng/zxxx/t509750.html>].

⁵⁶⁷ Jing Huang, "Beijing's Perspectives on the Russo-Georgian Conflict: Dilemma and Choices", *China Brief*, vol. VIII, issue 17, The Jamestown Foundation, 3 September 2008, [http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=5133].

⁵⁶⁸ Wen Jiabao, "Attach Great Importance to, and Strengthen Leadership over the Building of a Resource-Saving Society at an Accelerating Pace", *Xinhua*, 3 July 2005, Quoted in *Chinese Perceptions of Traditional and Nontraditional Security Threats*, Susan L. Craig, Strategic Studies Institute, U.S. Army War College, March 2007, p.120, [<http://www.strategicstudiesinstitute.army.mil/pdffiles/pub765.pdf>].

⁵⁶⁹ China became an oil importer in 1993, prior to this date it was a net exporter. It has diversified its oil and gas imports through energy deals with Kazakhstan and Turkmenistan. The 2000-kilometre gas pipeline from Turkmenistan, traversing Kazakhstan and functional from December 2009, is notable as it is meant to provide 40 billion cubic metres of gas per year.

See: EricaStrecker Downs, *China's Quest for Energy Security* Santa Monica, CA: RAND, 2000; Viacheslav Belokrinitskiy, "Southwesterly Enlargement of Greater China", *Central Asia and the Caucasus* 45, no.3, 2007;

exchange for a loan of \$25 billion from Beijing, Moscow agreed to provide China with 300,000 barrels of oil a day for the next 20 years. However, analysts have warned that Russia's increasing production of oil will cause a decline in its mature oil fields and may result in an inability to meet China's accelerated energy demands in the long-term.⁵⁷⁰ Another issue for China may be Russia's supply pricing disputes with other countries, such as its cutting off of its gas supply to Ukraine. This, in comparison with U.S., which dominates the energy markets around the globe and operates in the Middle East (the primary source of China's crude oil imports), causes China to be cautious about balancing its needs and maintaining its alliances with regional partners.⁵⁷¹ The SCO, with its principles of non-interference and peaceful resolution of conflicts, represents a safe framework from which China may operate, not least because it enables Beijing to diversify its access to alternative energy suppliers, especially with Kazakhstan and pipelines run through Kazakhstan's territory.⁵⁷²

When questioned at a security symposium in Beijing in 2009 as to why China did not support Russia in its activities in the 2008 war against Georgia, a prominent Chinese Major General responded that China had not clearly understood what Russia's political objectives were prior to the conflict.⁵⁷³ Had Russia argued that

Roland Dannreuther, "China and Global Oil: Vulnerability and Opportunity", *International Affairs* 87:6, 2011, p. 1357.

⁵⁷⁰ Isabel Gorst, "Russia opens China pipeline for Siberian oil", *The Financial Times*, 29 August 2010, [<http://www.ft.com/cms/s/0/dd89374a-b38c-11df-81aa-00144feabdc0.html#axzz1RKc41tEG>].

⁵⁷¹ China's Energy Data available from U.S. Energy Information Administration, [<http://www.eia.gov/EMEU/cabs/China/pdf.pdf>].⁵⁷² China and Kazakhstan started energy cooperation as early as 1997. The direct China-Kazakh oil pipeline, owned by the China National Petroleum Corporation (CNPC) and the Kazakh oil company (KazMunayGas) opened in 2006. Chen Feng, "Kazakhstan-China oil pipeline opens to operation", *Xinhua*, 11 July 2006, [http://news3.xinhuanet.com/english/2006-07/12/content_4819484.htm].

⁵⁷² China and Kazakhstan started energy cooperation as early as 1997. The direct China-Kazakh oil pipeline, owned by the China National Petroleum Corporation (CNPC) and the Kazakh oil company (KazMunayGas) opened in 2006. Chen Feng, "Kazakhstan-China oil pipeline opens to operation", *Xinhua*, 11 July 2006, [http://news3.xinhuanet.com/english/2006-07/12/content_4819484.htm].

⁵⁷³ China Security Symposium, China Foreign Affairs University, Beijing, 22 June 2009, which the author attended. The Major General is not explicitly named because the Symposium follows Chatham House rules.

the territories of South Ossetia and Abkhazia were historically parts of Russia's territory and therefore, Russia wanted to re-attach these areas to Russia, then, according to the Major General, it would have been in line with China's stance on such matters. The Chinese strategists did not understand Russia's support for Abkhazian and South Ossetian independence. The Major General concluded that this situation had no impact on the Russia-China relationship or on the SCO's operations in Central Asia. During his presentation at the symposium he admitted that there was still historical distrust between Russia and China, although he acknowledged the positive momentum after the end of the Cold War and posited that eventually the two countries would come to play complementary roles. He also expressed uncertainty of the extent to which the U.S. could manage to contain both Russia and China because their mutual relationship had improved to such an extent on so many levels.

When Russia recognized Abkhazia and South Ossetia, China's Foreign Ministry issued a statement which said that:

China has expressed concern over the latest developments of the situation in South Ossetia and Abkhazia. We understand the complicated history and reality of the South Ossetia and Abkhazia issue. In the meantime, in light of our consistent principle and position on issues alike, we hope to see relevant parties resolve the issue properly through dialogue and consultation.⁵⁷⁴

Chinese caution in its response to the Russia-Georgia war not only stemmed from a policy of opposing secessionism, which could then be mimicked by Tibet and Xinjiang, but also its foreign policy pledge, the Five Principles of Peaceful Coexistence, along with the related New Security Concept.⁵⁷⁵ This calls for

⁵⁷⁴ "Foreign Ministry spokesman Qin Gang's Remarks on Russia's recognition of the independence of South Ossetia and Abkhazia", 27 August 2008, [<http://au.china-embassy.org/eng/fyrth/t509344.html>].

⁵⁷⁵ Ministry of Foreign Affairs, PRC, "China's Position Paper on the New Security Concept", [<http://www.fmprc.gov.cn/ce/ceun/eng/xw/t27742.html>]. The position paper explains the new security concept as aiming to rising above one-sided security and seek common security through mutually beneficial cooperation. It is a concept established on the basis of common interests and is conducive to social progress".

cooperation, consultation and maintaining peace and stability. Finally, the 2005 formulations of 'Peaceful Development' and 'Harmonious World', as cited above represented a rising China's pledge to peace rather than provoking further conflict. The latter would be in line with hegemonic transition theory, as identified in chapter two of this thesis. Rather than unsettling the status quo in a revisionist quest for preponderance, it is in the PRC's interest to help maintain an international system that is conducive to its economic development, including access to stable oil supplies, overseen by the United States' global agenda. This preferred role has been termed 'responsible stakeholder'⁵⁷⁶ in the West. In its hope to see an engaged China it complements the 'Peaceful Development' formulation of China's diplomacy. While not entirely in agreement with the U.S. led system, China has soft balancing options to exercise and need not resort to overtly confrontational ones; nor endorse them in others.

The Stans' Perspectives

Russia's intervention in South Ossetia sent a clear message to the ex-Soviet republics: their efforts to foster closer relations with the United States, possibly through their cooperation with regards to basing rights or military exercises, might be disrupted. The Russian leadership's explanation that it had merely responded to Georgia's attacks on South Ossetia did not diminish the concerns among neighboring countries. When chairing the CIS, Kyrgyz President Kurmanbek Bakiev called for an urgent discussion about the conflict. However, this was met with silence from the other CIS members. The only outspoken leader was Kazakh President Nursultan Nazarbaev who, after a conversation with the Russian Prime

⁵⁷⁶ U.S. Deputy Secretary of State Robert Zoellick said in 2005: "We now need to inspire China to become a responsible stakeholder in the international system", *Xinhua*, "New Vocabulary Ushers China-US relations into Global Scenarios", *People's Daily Online*, 22 December 2005.

Minister Putin in Beijing on 8 August 2008, stated that Georgia's initiation of a military conflict in South Ossetia was "unwise" and called for a "diplomatic solution to the crisis".⁵⁷⁷ Kazakhstan did not endorse Russia's bid for South Ossetian and Abkhazian independence in August 2008. Supporting Russia's position could undermine its ties with the West, as well as its growing partnership with China. Yet, if Kazakhstan managed to gain more influence in the Organization for Security Cooperation in Europe (OSCE), there could come an opportunity for Russia to promote its own agenda through an intensified Kazakh-Russian partnership.

The Jamestown Foundation reported that senior officers of the Kazakh armed forces privately acknowledged that they were "proud for Russia" engaging militarily in Georgia, but could not express their support publicly and risk a possible "international humiliation".⁵⁷⁸ Although Kazakhstan and the U.S. sealed their security cooperation by renewing their 'U.S.-Kazakhstan Five Year Plan of Military Cooperation, 2008-13' in February 2008, Kazakhstan agreed to purchase and modernize its military equipment and weapons from Russia's Rosoboroneksport; to conduct joint operational training courses; and to train elite Kazakh army units in Russian military academies. Kazakh Defense Minister, Daniyal Akhmetov, and his Russian counterpart Anatoliy Serdyukov, who maintained regular monthly meetings, issued an official joint statement on 12 February 2008,⁵⁷⁹ suggesting that the Russia-Kazakh militaries were still

⁵⁷⁷ Bruce Pannier, "Former Soviet Sphere Shocked Into Silence By Conflict In Georgia", *Radio Free Europe*, 11 August 2008, [http://www.rferl.org/content/Former_Soviet_Sphere_Shocked_Into_Silence_By_Ossetia_Conflict/1190128.html].

⁵⁷⁸ Roger McDermott, "Nazarbayev Signals Kazakhstan's OSCE Priorities", *Eurasia Daily Monitor*, the Jamestown Foundation, vol. 6, issue 100, 26 May 2009, [[http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=35036](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=35036)].

⁵⁷⁹ "Kazakh, Russian Defense Ministers Talk in Moscow", *Radio Free Europe Newline*, 14 February 2008, [<http://www.rferl.org/content/article/1144052.html>].

intertwined, despite the arguments that NATO's Partnership for Peace Program and the training of Kazakh officers in NATO countries has had the effect of drawing Kazakh defense away from Russia. There are perceptions that those Kazakh officers who are receptive of military ideas and methods from the West face a majority who are pro-Russian, and therefore, sceptical of these programs. Kazakhstan, along with the other members of the Collective Security Treaty Organization (CSTO), condemned Georgia's aggression in South Ossetia during the CSTO foreign ministers meeting on 4 September 2008.⁵⁸⁰

The Aftermath of the 2008 Russia-Georgia War

In 2008, China and the Central Asian member states of the SCO did not show overt support for the Russian intervention in the Russia-Georgia War and the subsequent recognition of Abkhazia and South Ossetia. Beijing particularly faced a major dilemma; on one hand, it sympathized with Moscow's opposition to NATO's expansion, and on the other hand, it was concerned with endorsing the establishment of states based on ethnicity. Furthermore, it disapproved of the extensive use of force by Russia. In all major declarations that followed, the SCO member states restated their adherence to the principles of non-intervention and territorial integrity. In the aftermath, China succeeded in gaining support from the SCO regarding the Xinjiang Uyghur Autonomous Region (XUAR), which in the words of the SCO Secretary General, Bolat Nurgaliev, is part of the PRC and therefore any clashes should be dealt with as a "solely internal affair".⁵⁸¹

The internal balance within the SCO, as described in the previous chapter, has tilted towards China. The Russia-Georgia conflict did not alter the geopolitical

⁵⁸⁰ "Security Treaty Leaders Condemn Georgia For Aggression", *RFERL*, 5 September 2008, [http://www.rferl.org/content/Security_Treaty_Leaders_Condemn_Georgia_For_Aggression_/1196765.html].

⁵⁸¹ "Chronicle of main events at SCO in 2009", Information from 10 July 2009, SCO Official Website, 31 December 2009, [<http://www.sectsco.org/EN/show.asp?id=182>].

situation in Central Asia in other major ways; however, more attention started to be paid to military and political questions.⁵⁸² In 2011, both the SCO and China-Russia relationship celebrated their 10th anniversary. The SCO, despite its inability to pressure the withdrawal of foreign military forces from the region, not preventing the armed conflict between Russia and Georgia as well as its failure to respond to the crises in Kyrgyzstan in 2010, remained intact and pledged a further expansion of its membership and agenda. After the successful SCO-sponsored conference on Afghanistan attended by the U.S., EU, OSCE, G8 and NATO in Moscow in March 2009, the member states showed confidence in the organization's ability to become a significant discussion platform for not only region-related matters, but also global policy issues, such as "international information security". Russia and China have elevated their "strategic partnership relations" to a "comprehensive strategic cooperation and partnership" and pledged to coordinate their policies not only within the SCO, but also in BRICS, G20 and OPEC.⁵⁸³

Conclusion

This chapter discussed the SCO's response to Russia's involvement in the 2008 Russia-Georgia War as an empirical limitation to the soft balancing concept, but this does not suggest that the opposite is the case. The SCO is not an emerging hard balancer wearing the disguise of a soft power organization. Indeed, this chapter has refuted explanations that the SCO's implicit strategy was for it to become a military alliance and use hard power to balance the U.S. and NATO interests in the region. These erroneous interpretations failed to take into account that SCO

⁵⁸² See a summary of the impacts of the conflict on the region: Sun Zhuangzhi and Zhao Huirong, "Chinese views of the Russia-Georgia conflict and its impact", in *Eurasia's Ascent in Energy and Geopolitics: Rivalry or partnership for China, Russia and Central Asia?* New York, NY: Routledge, 2012, pp.211-213.

⁵⁸³ "China, Russia issue joint statement on major international issues", Chinese Government's Official Web Portal, 17 June 2011, [http://english.gov.cn/2011-06/17/content_1886621.htm]; Yu Bin, "China and Russia tussle over SCO's future", *Asia Times Online*, 27 September 2011, [<http://www.atimes.com/atimes/China/MI27Ad02.html>].

cooperation in the security sphere was primarily focused on non-traditional security issues, under the umbrella of the RATS. The organization is not bound by NATO-like article 5 security guarantees that would *require* member states to provide military assistance in a security crisis.

This test of unity shows that the SCO is pragmatic when it comes to voicing support for actions of individual member states. In Uzbekistan's case, the withdrawal of foreign troops from the Uzbek territory was supported by the SCO, because the Uzbek actions conformed to the SCO principles. Russia, on the other hand, failed to adhere to the SCO norms by employing an unprecedented use of force in its conflict with Georgia. Russia further recognized the separatist parts, South Ossetia and Abkhazia. Although, the Stans and China did not provide strong support of Russia, they have strengthened their cooperation within the SCO and have continued conducting joint military exercises. Soft balancing has not been discredited by the actions of Russia outside the region, or by concern among SCO members on the merit of Russia's actions. Rather, it has exhibited an emerging maturity beyond its comparative youth as a regional organization: one that allows for differences of viewpoint without compromising its cohesion. In this sense, the SCO represents a fresh start for multilateral security after jettisoning what the Chinese commonly term the 'Cold War mentality'. Some increase of Chinese influence within the organization (as experienced through 2008-2012) may well provide stronger support for SCO norms and soft power credentials in the future.

Conclusion: Key Findings and Implications

In analyzing the soft balancing of ASEAN and the SCO and its role within the Indo-Asia-Pacific, this thesis has challenged the dominant prevalent interpretations of balancing behavior and perspectives about the role of multilateral regional frameworks within International Relations theory. Many existing assumptions about ASEAN and the SCO tend to overemphasize great power competition in relation to these organizations and do not consider the regional context of Southeast and Central Asia. Therefore, this thesis has investigated these multilateral frameworks in the context of their specific regions and perceptions of the key state actors who are the member states of ASEAN and the SCO.

Two main objectives were achieved in this thesis: theoretical and practical analysis. In regards to the theory, the goal was to assess the existing literature on soft balancing and how the concept fits into the context of existing alignment strategies. Soft balancing has a justifiable place between the two extreme state strategies: balancing and bandwagoning. It is a less risky option for second-ranking powers when they use non-military tools and a less direct approach to countering a possible threat.

To address the second goal, which is the practical analysis, this thesis has endeavored to demonstrate the empirical evidence for soft balancing in Southeast Asia in the early 1990s and soft balancing in Central Asia post 9/11, and thus to show the utility of soft balancing as a viable analytical framework in International Relations theory. Through ASEAN, Brunei, Indonesia, Malaysia, Singapore, the Philippines and Thailand (as the ASEAN6), had sought to socialize a rising China

to commit itself to shared norms. They also sought to shape its behavior to act in a less confrontational mode, especially in the case of the South China Sea dispute.

Through the SCO, China, Russia, Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan, have exercised soft balanced against the foreign military presence of the United States and allied forces in Central Asia by calling for a timetable for the withdrawal of troops from military bases in the region. This strategy was successful in 2005 when Uzbekistan evicted U.S. troops from its Karshi-Khanabad airbase after the SCO summit in Astana in June, when the member states issued a statement demanding the exact deadline for the withdrawal. The SCO member states have also strengthened the normative aspect of their collaboration by promoting the 'Shanghai Spirit' and the concept of 'sovereign democracy', which respects territorial sovereignty and regime security. This competes with Western style of democratically-based legitimacy.

This concluding chapter outlines the key findings of the foregoing analysis by highlighting the key theoretical perspectives which have been used to examine state behavior in regional organizations, theoretical aspects of soft balancing, followed by regional strategic frameworks for cooperation in the Indo-Asia-Pacific and evaluation of the strengths and weaknesses of soft balancing in the cases of ASEAN and the SCO. The chapter then proceeds into assessing the implications of soft balancing for the Indo-Asia-Pacific and concludes with future prospects for soft balancing.

Theoretical approaches have proven to be valuable tools for explaining the interactions of ASEAN and the SCO member states. A combination of neorealist (structural) realism and constructivism was used to assess the role of these

organizations in the Indo-Asia-Pacific and the soft balancing strategy. It has been found that states behave in the neorealist way when they use multilateral frameworks and accept their norms but only as far as it is in their national interests. In the case of ASEAN soft balancing China, Beijing was willing to join ASEAN-led structures and adhere to the Treaty of Amity and Cooperation (TAC); however, it would not consult ASEAN partners about its activities in the South China Sea. In the SCO case, as was seen in Chapter Six, Russia also adopted the 'Shanghai Spirit' norms, but failed to act peacefully and negotiate during the 2008 Russia-Georgia crisis.

Through constructivism states have found their participation in both official and non-official multilateral frameworks to be productive. They engaged one another's ideas and norms, leading to a better appreciation of each other's perspectives. ASEAN promoted the 'ASEAN Way' and consultations about trust-building measures. ASEAN member states and China declared their commitment to improve these measures through their interactions in regional organizations. The SCO has also been a vocal advocate of regional norms and has become a proactive proponent of dialogue among nations and respect for diversity.

Reassessing the Soft-balancing Framework

As noted in the literature review, soft balancing is subject to continuing scholarly discussion, its definition and utility questioned by critics who make the following points: 1) by broadening the definition of balancing, the proponents of soft balancing perform conceptual stretching, failing to explain adequately the difference between 'soft balancing' and 'diplomatic friction'; 2) soft balancing cases are too recent and therefore, unverifiable; 3) the main soft balancers, China

and Russia, are known for being non-transparent, rendering it impossible to gather enough evidence to support the soft balancing argument; and 4) not enough attention is paid to current explanations of the soft balancing behavior, the focus being on past cases.

In contrast, this thesis argues that the proponents of soft balancing provide sufficient description of the concept and soft balancing tools. They also clarify the distinction between the soft power and soft balancing, according to which states' soft power contributes to advancing with a soft balancing coalition; thus, it is a soft balancing asset. States resort to soft balancing in cases of diplomatic friction. Both organizations, ASEAN and the SCO, voice their support for minimizing this friction through consultations and non-use of force. Soft balancing allows participating states to coordinate their diplomatic action and obtain from diplomatic engagements more beneficial outcomes for themselves vis-à-vis a state which is viewed as dominant or threatening. The issue of limited external validity has been addressed, namely through Kai He's work on ASEAN's Post-Cold War Strategy and also exploration of American and Chinese soft balancing strategies.⁵⁸⁴ China and Russia have been the subject of further research through the work of Stephen Aris⁵⁸⁵ on the Shanghai Cooperation Organization, and Chaka Ferguson's analysis of the use of soft power as the norm to soft balance American hegemony.⁵⁸⁶

This thesis revives discussion about the validity of the soft balancing argument by analyzing this indirect, subtle and non-military security behavior by middle and great powers through regional organizations. The case studies here are both

⁵⁸⁴ Kai He, *Institutional Balancing in the Asia Pacific: Economic interdependence and China's rise*, London: Routledge, 2009.

⁵⁸⁵ Stephen Aris, *Eurasian Regionalism: The Shanghai Cooperation Organisation*, Palgrave Macmillan, Basingstoke, 2011.

⁵⁸⁶ Chaka Ferguson, "The Strategic Use of Soft Balancing: The Normative Dimensions of the Chinese-Russian 'Strategic Partnership'", *Journal of Strategic Studies*, vol. 35, no.2, April 2012, pp.197-222.

intergovernmental organizations and their member states are geographically close. Their cooperation is led by shared rules of conduct. Both ASEAN and the SCO pursue their soft balancing through a network in the context of a larger Indo-Asian dialogue. Their engagements often overlap; however, it has not been the purpose of this work to explore inter-regional relationships such as the ASEAN-SCO partnership, which is currently underdeveloped, though this topic presents itself as a worthy research endeavor in the future.

ASEAN's soft balancing has been investigated first (in Chapter Four) and has provided an experiential basis for the SCO's later soft balancing (in Chapter Five), especially in the sphere of trust and confidence-building measures. They both operate in distinctive regional contexts, though The People's Republic of China may be identified as a unifying factor between these two regional organizations. ASEAN used soft balancing towards the PRC in the 1990s when China was still hesitant and suspicious of joining regional multilateral security frameworks. It was a "norm taker", partially adopting the 'ASEAN Way' norms. On the other hand, Beijing participated in a soft balancing coalition in the SCO towards the U.S. (a foreign presence) in Central Asia in the middle of the first decade of the 21st century. As one of the founders of the SCO, China has functioned as an influential "norm maker" in the SCO.

Regional Strategic Framework for Cooperation in the Indo-Asia-Pacific

The primary focus of this thesis has been the "Indo-Asia-Pacific", with a specific focus on Central and Southeast Asia. Where appropriate, references were made to U.S., Japanese, Australian, EU and NATO policies. The discussion dealt with the period after the end of the Cold War, which terminated the bipolar system and

reinstalled U.S primacy. This period also witnessed the rise of China, which made the weaker states in Southeast Asia insecure about China's intentions and whether – in light of its impressive economic growth and military modernization – it would join the contest for the leadership in East Asia.

ASEAN6 was driven by China threat perceptions and created opportunities to engage China in formal and informal discussions about regional issues. Beijing gradually established diplomatic ties with individual Southeast Asian nations and upgraded its relationship with ASEAN onto a more formal level as ASEAN's dialogue partner. The PRC agreed to join the ASEAN Regional Forum and sign the TAC, which outlined the guiding principles for inter-state and inter-regional collaboration: that is, respect each other's sovereignty and territorial integrity, no interference in the internal affairs of another state, the use of force should be renounced and states should resolve their disputes amicably and effectively. However, on several occasions, China projected more assertive policies and lowered its degree of cooperativeness with its ASEAN dialogue partners. This has been particularly true in the case of China's insistence on its claims to disputed waters in the South China Sea. ASEAN showed the unity of its disapproval with China's actions and has insisted on resolving this ongoing issue within the multilateral forum.

China's increased interest in multilateralism was put in practice in Central Asia, after a series of confidence-building negotiations on border security among China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. It is often assumed that the SCO is an anti-NATO, anti-Western, regional bloc dominated by China and Russia. However, this is not an accurate description of the SCO. Despite Russia and China having structural advantages vis-à-vis smaller Central Asian republics, in terms of

their influence through the United Nations Security Council and their power (nuclear weapons and larger, more sophisticated militaries), the SCO's agenda considers interests of all member states and the Central Asian republics have equal rights to opt out from participating in specific projects if their national interests are not met. Additionally, the smaller states choose to conduct multilateral foreign policies and balance the three major powers, Russia, the U.S. and China, by gaining military and economic assistance from all of them.

This has mainly been the case after 9/11, when external military forces relocated to Central Asia and foreign troops have specifically used the airbases in Kyrgyzstan and Uzbekistan. The SCO member states argued that this collaboration should be temporary and should end when Afghanistan's situation stabilized. The prolonged presence of U.S. and allied troops and continuous pressure from the West to democratize the governance in the Central Asian states, Russia and China, resulted in the SCO's soft balancing behaviors. The Western presence and normative agenda were challenged by declarations and the promotion of alternative norms based on non-interference and sovereignty to strengthen regime survival.

Success and Failure of Soft Balancing: Cases of ASEAN and the SCO

When the SCO and ASEAN have deliberated and issued joint statements on specific security issues they have shown that they can function like middle powers; in other words, their actions are those of unified actors in the international arena. Their soft balancing behavior has manifested itself in several ways. ASEAN has facilitated the establishment of the ASEAN Regional Forum (ARF) and encouraged a three-stage developmental process to achieve a stable and a more predictable regional balance of power. It was successful in engaging China in this

framework and finalizing agreements on regional trust-building measures. This was the first step in reduction of mistrust and minimizing the chances for regional conflicts. The second stage, however, has not been very successful. Although the ARF, with the help of the Council for Security Cooperation in the Asia-Pacific, formulated a definition of 'preventive diplomacy', conflicts in the South China Sea were not averted, for example, the Mischief Reef Incident between China and the Philippines. ASEAN's response and the outcome of the 1997 oil rig dispute between China and Vietnam was more successful. Even though China repeatedly challenged the status quo and acted in contradiction to the norms of regional conduct, with ASEAN unable to prevent this incident, enough united pressure was generated to convince Beijing of wrongdoing and led to China's withdrawal of the rig.

The SCO member states worked on their confidence-building prior to the establishment of the SCO, within the Shanghai Five processes. They were successful in declaring their commitment to increasing the transparency of their military manoeuvres in border areas and their shared understanding of arms reduction along these borders. They also managed to agree on constraints regarding the quota of their military forces in the 100-km border zone. However, transparency and verification measures were not fully achieved due to the lack of full disclosure of defense spending and non-binding commitment to mutual inspections.

The SCO fully endorsed these confidence-building measures and provided a platform for further discussion and for conducting joint military exercises, 'Peace Missions', in order to improve interoperability between the SCO states' defense sectors and also to increase mutual trust and confidence between these states. The

‘Peace Missions’ generated considerable press coverage, which often implied that these exercises were targeting Western countries and NATO, whilst the SCO member states have proclaimed repeatedly that they used these drills to perfect the mechanism for fighting against the ‘three evils’: separatism, terrorism and extremism. Secondary benefits of such cooperation include the preservation of economic stability and security for energy resources, but this agenda has not targeted external states explicitly.

As outlined in Chapter Five, the SCO member states are primarily concerned with their domestic security and the SCO was not created as an anti-NATO vehicle. However, insofar as these member states reject meddling in internal affairs they use the SCO to limit foreign interference by providing a non-invasive alternative. The Central Asian states, Russia and China refrained from criticizing the Uzbek government for the brutal suppression of a civilian uprising in Andijan in 2005. The SCO member states did not request an inquiry into this incident. They praised President Karimov’s ability to restore the order and blamed the escalation on increased levels of extremism in the Ferghana Valley where Andijan is located. These states share a common goal to constrain democratic concepts imposed on them from the West. They encourage respect for diversity of cultures and political systems. The concepts of ‘sovereign democracy’ and the ‘Shanghai Spirit’ form the SCO’s normative dimension. In order to deal with external criticism, the mechanism of the ‘Observer Mission’ was created to monitor elections. In contrast with the negative view of elections in Central Asia by the Organization for Security Cooperation in Europe (OSCE), the SCO concluded that the elections in Kyrgyzstan in 2009 and Russia in 2012 were legitimate, honest and transparent.

The evidence suggests mixed outcomes for the strategic use of soft balancing, though advantages are sufficiently significant to warrant the elevation of soft balancing to the mainstream of strategic models. States have used soft balancing in an effort to minimize risks and optimize benefits because traditional balancing would be too costly under conditions of such systemic uncertainty during the transition from a unipolar to multipolar world order. Middle powers, in particular, opt for less formal alliances to avoid great power dominance within regional organizations. They also choose soft balancing when the threat is lower or uncertain – in the sense that intentions are unclear – because a tighter alliance would bear higher risks compared to anticipated rewards.

Future of Soft Balancing

The importance of soft balancing in the Indo-Asia-Pacific may be expected to increase as the demand for resources rises. Thus the competition among great powers for influence may intensify in Central and Southeast Asia, as both regions have major transportation networks, e.g. along the ‘New Silk Road’ and through the Strait of Malacca.

The South China Sea dispute has shown little evidence of abating. In a bid to consolidate its claims over disputed waters, the Chinese province of Hainan legislated new laws in November 2012. Under these regulations Chinese maritime police can conduct search operations of suspicious foreign ships and request that they leave should they appear within the 12-nautical-mile zone near the islands claimed by China. The phrasing of the new regulations is deemed to be vague and

does not identify what constitutes ‘illegal activities’.⁵⁸⁷ ASEAN Secretary General, Surin Pitsuwan, said that this development has elevated concerns and anxiety among all ASEAN member states, especially those that are dependent on the freedom of navigation through these waters.⁵⁸⁸ The Philippines has been alarmed and issued an official statement on its Ministry of Foreign Affairs website asking Beijing to:

. . . immediately clarify its reported plans to interdict ships that enter what it considers its territory in the South China Sea. If media reports are accurate, this planned action by China is a gross violation of the Declaration on the Conduct of Parties in the South China Sea (DoC), international law, particularly UNCLOS, and a direct threat to the entire international community as it violates not only the maritime domain of coastal states established under UNCLOS, but also impedes the fundamental freedom of navigation and lawful commerce.⁵⁸⁹

At the time of writing (December 2012), the PRC government has yet to provide a full list of acts deemed illegal. The spokesperson for the Chinese Ministry of Foreign Affairs, Hong Lei, dismissed the accusations that China would violate any domestic or international laws. He suggested that China was consistent in its policy of protecting its territorial sovereignty, rights and interests. He concluded with a restatement that China would conduct friendly negotiations in order to solve disputes.⁵⁹⁰

If the South China Sea dispute appears to be bringing ASEAN to a strategic crossroads between hard and soft power (the power of threat versus the power of attraction), the broader picture of a China that is enmeshed in economic and

⁵⁸⁷ Jane Perlez, “Alarm as China Issues Rules for Disputed Area”, *The New York Times*, 1 December 2012, [<http://www.nytimes.com/2012/12/02/world/asia/alarm-as-china-issues-rules-for-disputed-sea.html?pagewanted=1&r=0>].

⁵⁸⁸ Matthew Bigg, “ASEAN chief voices alarm at China plan to board ships in disputed waters”, *Reuters*, 30 November 2012, [<http://www.reuters.com/article/2012/11/30/us-china-seas-idUSBRE8AT01B20121130>].

⁵⁸⁹ “Statement of the Department of Foreign Affairs on the New Law to Strengthen Control Over the Maritime Jurisdiction of China’s Hainan Province”, Department of Foreign Affairs, Republic of the Philippines, 1 December 2012, [<http://www.dfa.gov.ph/index.php/newsroom/dfa-releases?start=18>].

⁵⁹⁰ Foreign Ministry Spokesperson Hong Lei’s Regular Press Conference on November 30, 2012, [<http://www.fmprc.gov.cn/eng/xwfw/s2510/2511/t994392.htm>].

diplomatic cooperation suggests that these constructivist forces will outweigh the particularistic requirements of territorial claims. After all, the issue of the status of Taiwan, which ranks higher on the hierarchy of China's sovereignty claims, has been left unresolved in view of the unwanted consequences of military action and loss of international goodwill. China's 'Peaceful Development' reassurances and commitment to a 'Harmonious World' speak to a normative identity formation which is difficult to reverse through individual events or provincial-level legislation. A momentum across a range of acts would need to develop for a new inter-subjectivity of threat to replace the cooperative norms in operation at the regional level. In short, ASEAN still has the 'constructivist' card to play in its soft balancing behavior. China is unlikely to make a short-term realist calculation of asserting its South China Sea claims, especially as this would likely draw the U.S. into committing itself to further defending freedom of the seas. It remains to be seen whether rising tensions will push Southeast states into hedging strategies or further into hard alliance systems that might undermine regional norms.

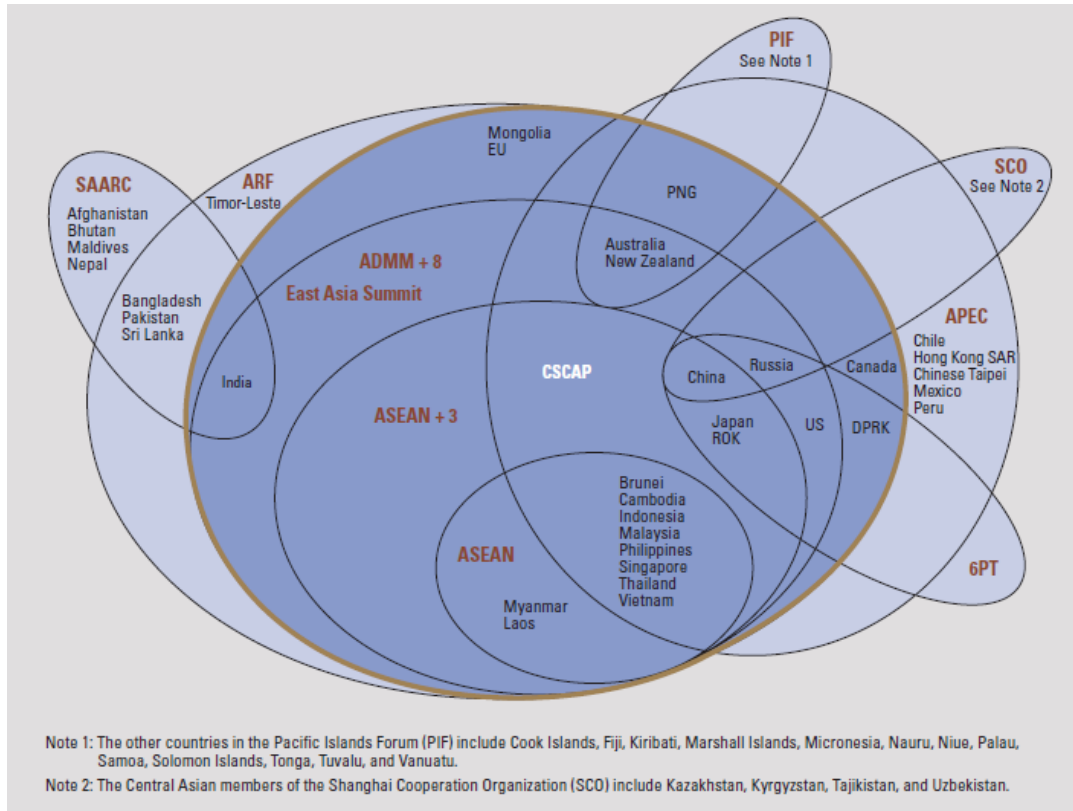
Likewise, it seems unlikely that the SCO will evolve into a formal alliance system, though the grouping has demonstrated security cooperation that might evolve into a future security community (beyond its current, looser diplomatic framework). To date, the two main powers (Russia and China) have increased their cooperation with Central Asian states bilaterally and via SCO channels, using the Organization to reduce external pressures. Likewise, the grouping as a forum for ongoing dialogue has reduced internal tensions among member states, for example, between Russia and China, and among Russia, Kazakhstan and Uzbekistan. However, engagement of SCO norms remains uneven in external behaviour (as indicated by Russia's attack on Georgia), and weaker member states will need continued help to

maintain economic and political stability. It remains to be seen whether SCO strategies can effectively shape the wider Eurasia strategic environment.

In all, regional powers will face various traditional and non-traditional threats in these complex environments. To alleviate these challenges, network regionalism will play a crucial role in facilitating dialogue among nations. Great and middle powers will opt for soft balancing through official and non-official multilateral frameworks to limit the power of hegemonic or rising powers perceived as threatening. The best outcome for states in the Indo-Asia-Pacific is to build a deeper sense of trust and shared goals. Thus over time states are likely to become more confident and flexible in the face of a changing world order, a transition with attendant risks and opportunities. Soft balancing has emerged as an important strategy used in evolving regional and multilateral frameworks, and has been of critical significance to ASEAN and the SCO.

APPENDIX ONE: Asia Pacific Regional Architecture

Figure 11: ASEAN and the SCO in the context of the Asia Pacific Regional Architecture



Source: CSCAP Security Regional Outlook 2012: Security Through Cooperation: Furthering Asia Pacific Multilateral Engagement, ed. Brian L. Job and Erin Williams, [<http://www.cscap.org/uploads/docs/CRSO/CRSO2012.pdf>].

APPENDIX TWO: Mapping the World's Soft Power Landscape

Figure 12: Top Ten Countries by sub-index scores

Rank	Government	Culture	Diplomacy	Education	Business/Innovation
1	Sweden	USA	France	USA	Singapore
2	Norway	UK	UK	UK	Sweden
3	Denmark	France	Germany	Germany	Finland
4	Switzerland	Australia	USA	France	Switzerland
5	Finland	Spain	Sweden	Canada	Denmark
6	New Zealand	Germany	Norway	Australia	Netherlands
7	Netherlands	China	Netherlands	China	Germany
8	Australia	Italy	Canada	Japan	Belgium
9	Canada	Canada	Italy	Netherlands	Korea
10	Austria	Russia	Switzerland	Korea	Japan

Source: Jonathan McClory, "The New Persuaders II: a 2011 Global Ranking of Soft Power", Institute for Government, 1 December 2011, p.19.

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